Daily Report

Latin America

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FBIS-LAT-93-224 *23 November 1993*

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Caribbean Rice Price Rises With Japanese Demand

FL1811162493 Bridgetown CANA in English 1533 GMT 18 Nov 93

[Report by Corlita Ollivierre]

[Text] Kingstown, St. Vincent, 18 Nov, CANA—A decision by the Japanese Government to purchase more than a million tonnes of rice on the international market is resulting in increased prices for rice milling operations in the Caribbean, an official of the St. Vincent-based East Caribbean Rice Mills said.

One quarter of Japan's rice crop was destroyed by typhoons this year, forcing the government to look to the international market to make up the shortfall. Major exporters Thailand and China are also reported to have experienced poor harvests.

"As a consequence, one can say the demand has increased significantly while the supply has declined and, as a result, prices would naturally go up," Joel Providence, manager of the East Caribbean Rice Mills told CANA. He said over the past six to eight weeks prices on the international market have inceased by as much as 90 per cent and milling operations in the region which source the bulk of their raw materials from the United States, have been absorbing higher costs as well.

The situation, he said, was expected to continue well into late 1994 when temperate rice producers would have harvested that year's crop. "Still one doesn't know what is likely to happen past February in terms of price. It is likely to peak somewhere—we can't say exactly where at this time—and nobody wants to forecast more than two or three months down the road," he said. Providence said regional milling operations would be seriously affected unless prices to consumers are increased.

The St. Vincent Government is now being asked to consider a hike to consumers for rice which is a price-controlled item. Providence said his company, which sources about 60 per cent of its production extra-regionally, was now selling at a loss on some markets. "We recognise that we have to absorb some of the cost and that is what we are prepared to do but ... we cannot continue taking all the cost for much longer," he remarked.

Providence said this situation also had implications for a number of other important trading arrangements such as the General Agreement on Tariffs and Trade (GATT).

Japan, which has a closed rice market, has been under pressure from the United States to open its market and California producers are already looking ahead at getting a permanent place on the Japanese market now that there has been an opening. Only four per cent of the rice consumed worldwide is traded on the world market and Japan's new demand will significantly increase world trade, Providence said.

REUTERS reported that Thursday a ship laden with Thai rice arrived at the Port of Yokohama, the first of Japan's emergency rice imports after its worst harvest since World War II.

The ship carrying 7,000 tonnes of rice was the first load of foreign rice to arrive in Japan since 1984, when it bought rice from South Korea after another poor harvest. Japan, which bans the import of commercial rice, has said it will import 200,000 tonnes of foreign rice this year.

That will be followed by a further 900,000 tonnes by March next year, including high-grade table rice, REUTERS said.

Cuba

Games Delegation Protests Defection Inducements

FL2211213593 Havana Radio Reloj Network in Spanish 2046 GMT 22 Nov 93

[Text] The Cuban delegation has protested to the Organizing Committee of the 17th Central American and Caribbean Games the daily provocations being endured by the Cuban representatives. A communique addressed to Hector Lopez Pumarejo, chairman of the Organizing Committee, states that pressure on the Cuban athletes is growing and that this hampers their performance in the games.

Information from the Central American Village confirms that over the past few days, a small plane with a sign urging Cubans to defect, has flown over the Santiago Military Camp, where the athletes are housed. This weekend, a Puerto Rican newspaper, in pages dedicated to the games, published the procedures to be followed by those who wish to defect from the Cuban delegation.

According to sources for the Cuban delegation to the 17th Central American and Caribbean Games, the repeated acts of harassment include setting up banners with provocative slogans on the road to the village, and anonymous telephone calls. Likewise, it is confirmed that security measures in the village are practically nonexistent and that this allows people not involved in the games to loiter around the facilities. The communique from the Cuban delegation to the Organizing Committee adds: We have observed that several citizens have offered money to our athletes to defect.

The note also stresses the gracious and affable treatment, and the love the Puerto Rican people display toward all Cubans, as a sign of the relations existing between both peoples.

Castro Bids Farewell To Departing Jiang

FL2211200593 Havana Radio Rebelde Network in Spanish 1800 GMT 22 Nov 93

[Text] Today, at the Jose Marti International Airport, Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC] and president of the Councils of State and Ministers, bade farewell to PRC President Jiang Zemin, who concluded an official visit to Cuba that began yesterday afternoon. Government, state, and PCC officials were present at the airport along with the accredited diplomatic corps in Cuba, who were also present during the farewell ceremony. An ample demonstration of respect and acknowledgement could also be seen in the population of Havana, who gathered at the airport.

Shortly after his arrival, Jiang Zemin received the National Order of Jose Marti, pinned on his chest by Commander in Chief Fidel Castro, who highlighted the merits that made Jiang worthy of such a high distinction.

This morning, Jiang Zemin placed a wreath at the Jose Marti monument at the Plaza of the Revolution. An important part of his work schedule in Cuba were the meetings with the commander in chief, which, in Jiang's words, were directed toward strengthening Cuban-Chinese bilateral relations and discussing international issues of common interest.

Furthermore, Jiang Zemin briefed Fidel on the structure and opening of China, exchanged experiences in economic construction, and analyzed aspects of new means of developing ties of cooperation between the two countries. In this way, the Chinese delegation headed by Jiang Zemin concluded its visit to our country.

Jiang Zemin Letter of Thanks

FL2311022393 Havana Cuba Vision Network in Spanish 0100 GMT 23 Nov 93

[Text] Moments before leaving Cuba, PRC President Jiang Zemin penned the following letter to Commander in Chief Fidel Castro:

Comrade Fidel Castro, president of the Councils of State and Ministers of Cuba.

Dear Comrade Fidel Castro:

Upon the conclusion of my visit to this noble country and my departure from Havana, I wish to reiterate my sincere gratitude to the Cuban comrade president, government, and people for the warm welcome and hospitality you rendered. Despite the fact that my visit to Cuba has been brief, I was deeply impressed by the arduous struggle of the Cuba people to build their own country.

This visit has contributed to deepening our mutual knowledge and will undoubtedly promote the ultimate consolidation and strengthening of ties of friendly cooperation between Cuba and the PRC. I hope for the prosperity of your noble nation and the well-being of its people.

Signed: Jiang Zemin, president of the PRC.

Commentary Examines Chinese Economic Evolution

FL2111235493 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Nov 93

[Text] In connection with the upcoming visit to Cuba by China's president, following is a commentary by journalist Ariel Larramendi about the economic reforms being carried out in China:

Ever since the Third Plenum of the CPC decided, in December of 1978, to implement the policy of reform and opening to other nations, the entire immense country has entered into a great, heretofore unprecedented adventure. Because of the newness of the path, its beginnings were characterized by its feeling its way and by its seeking to define policies that would be sound;

and, not without dangers real or announced, by attempting to fit the world's most densely populated nation into its place among corresponding nations.

China's Communist Party and its government realized that it was at that moment unthinkable to expect to be able to feed and provide an acceptable living standard for the almost 1 billion people who inhabited China, using the schemas of traditional style socialism. Since that moment, economic reform has been the most important feature in China's socioeconomic terrain, the economic reform, with its profound changes, which has been the fundamental drive behind its achievements over the past 14 years.

In accordance with the strategic goals established by the Chinese Government, the construction of a modern economy in China can be divided into three stages. The first stage: Based on 1980, to double the Gross Domestic Product and solve the problem of clothing and feeding the population. The second stage: To develop the national economy at an increase rate of eight to nine percent annually, making it possible to double the original 1980 demand and enable the population to reach a modestly comfortable standard of living by the end of this century. Finally, the third stage: To attain the Gross Domestic Product of the moderately developed countries by the middle of the 21st Century.

To-date, the first stage has been accomplished. The Chinese people are at present accelerating their steps toward reform and opening, turning the nation's economy into the most rapidly developing in the world.

These Chinese achievements have not been made without difficulties. In a country of rigid ideological structures in 1978, structures which emerged from the ultra-leftist Cultural Revolution, it was not easy for China to adapt to the new mentality of building a socialism with Chinese characteristics. It is undeniable that over these past years, China's economic and social structures have undergone very profound changes, including successfully establishing a property structure in which state-owned property constitutes the principle body, and individual property, privately owned and owned by foreign capital, are complementary and coexist in parallel.

Meanwhile, with respect to the national economy, the state has been almost incessantly improving its mechanism for macroeconomic regulation and control, and also renewing or improving its concepts and methods of planning, in order to progressively form what some have come to call the socialist market mechanism, and what others call market socialism, a theory and practice on which to reflect.

Dominican Republic Sets Bail for Traffickers in Cubans

FL1911220093 Havana Radio Rebelde Network in Spanish 1800 GMT 19 Nov 93

[Text] The Dominican Republic's Office of the Public Prosecutor has set bail at the equivalent of U.S. $454,000 for four persons accused of illegal trafficking in Cubans. Meanwhile, it has been confirmed that over 100 Cuban citizens have been granted Dominican visas.

The accused tried to take 87 Cubans, who forced their way into the Mexican Embassy in the Dominican Republic last month demanding transit visas to the United States, to Miami.

Yesterday, the Dominican daily paper, HOY, carried statements made by President Joaquin Balaguer to Radio Central, in which he said that visas granted to Cubans should be honored because all legal formalities had been complied with in issuing them.

According to these statements, Balaguer had informed the Secretariat of State of Foreign Relations of his opinion to honor the visas granted to over 100 Cubans, who have not yet been able to travel to this [as heard] country because of restrictions [passage indistinct].

Castro on Links Between Cultural Activity, Economy

FL2211164893 Havana Radio Progreso Network in Spanish 1200 GMT 22 Nov 93

["Excerpts" of comments by President Fidel Castro during the Fifth Congress of the National Union of Cuban Writers and Artists, in Havana on 20 November—recorded]

[Text] [Castro] What I could suggest is that we be capable of maintaining our affinity and love for all these values during such difficult times, when we are threatened by so many different things and so many risks. Culture is the first thing we need defend. [applause]

We were willing to give everything for the restoration of La Habana Vieja and to be able to save it. I was grieved when I heard about the National Symphonic Orchestra's situation and the other problems we are encountering in some fields and areas in which we have lost strength and where we have seen problems emerge. Once again, I felt the blow of the [words indistinct] burned Amadeo Roldan theater, which was deliberately burned [quemado por gusto].

We all liked that argument very much about the recordings producing more than a five-star hotel, or five times as much as a five-star hotel. That is a argument to consider. Those are figures to consider.

We also need to present culture with realism, and as a basic duty, and in the front line. We need to show how culture can help the country overcome the special

period, how culture can influence the economy and the country's resources. We have an imperious need of those resources. It has to hurt, and it does hurt when those resources are lacking. I do not know whether we have too many artists abroad, but we need to find a good balance and a fair equilibrium.

As many of you know, we have been taking a series of measures over the past few days. Those measures were not taken because of the congress or so that you would reelect Abel [Prieto].

The other day Abel and I had a small argument at the PCC Assembly [crowd laughs] because of something I said. Some people said that he and I had agreed [chuckles] so that Abel would look good talking about those things [crowd laughs]. It all seemed like an electoral campaign in the United States. [laughter]

[Prieto] [word indistinct] knows that was not the case. [crowd laughs]

[Castro] We are talking about this because all these things have economic connotations. They do not have a solution unless we give them that economic connotation. No one has mentioned the figures that were given to me. They are statistical figures of what music could represent, which is barely considered today. Therefore, among the measures that we need to apply there are some that could have an influence among artists and intellectuals in an economic sense.

Castro on 'Shameful' Condition, Abandonment of Tropicana

FL2211172593 Havana Radio Rebelde Network in Spanish 1255 GMT 22 Nov 93

["Excerpt" of comments by Commander in Chief Fidel Castro during the Fifth Congress of the National Union of Cuban Writers and Artists, in Havana on 20 November—recorded]

[Castro] When did that center begin to decline?

[Unidentified delegate] Commander, we....

[Castro interrupting] I would also like to know why. Tourism organizations have had resources because they are self-financing. They do not need anyone to give or lend them money. To abandon the Tropicana and leave it without lights or whatever else is unacceptable.

Once I said I was saddened to see the girls performing with worn stockings. I thought that would never happen again. I imagine they now have stockings to wear. But there is no justification for a lack of light bulbs and other things in an institution that is self-financing and that has all the necessary resources. That is not the special period or anything else. If that center has been abandoned that way, it is because of inefficiency, shoddiness, incompetence for which one must demand accouning from those who direct that institution.

We had a lengthy discussion about this at Havana City's Provincial Communist Party of Cuba Assembly. Amazingly, the Tropicana was not mentioned but other things were. The Eastern complex. Well, there are two Eastern complexes. One where people are imprisoned, which is probably where those people who are responsible for these centers should be. [applause] The Eastern tourist complex was discussed there. We discussed the Habana Libre Hotel; we discussed a series of things about tourism with great reality and with a critical spirit.

What you are saying is shameful. It is shameful for those responsible for that situation. There is no justification for that situation.

There are activities that Cuba has been able to maintain because they are self-financing. One example is the fishing industry, which produces more than $100 million in exports, mainly through lobsters. It does not need a penny. There are other activities that are self-financing. Tourism is one. It does not need money from anyone.

Letting the Tropicana decline is an act of shoddiness. I believe no one here could justify this. But, at least, they will find out through television or the press that we discussing the Tropicana.

Writers Union President Interviewed

FL2011004293 Havana Tele Rebelde Network in Spanish 0130 GMT 13 Nov 93

[Interview with Politburo member Abel Prieto Jimenez, president of the National Cuban Writers and Artists Union, UNEAC, by Hector Rodriguez and three unidentified journalists during the "This Very Day" program—live]

[Excerpts] [Rodriguez] Before allowing my colleagues to begin asking questions, I would like you to comment on the intensive preparations that have taken place for the Fifth UNEAC Congress, which is about to begin.

[Prieto] It is true that we are on the threshold of it. It has been exhausting to come this far. I believe we have had an excellent preparatory process. We have had an impressive response so far as attendance and participation are concerned.

You know that there were assemblies in each province, in each of the provincial committees, and that national associations met in the City of Havana. We had many doubts when we called for this preparatory process about the level of attendance, fearing that there might be a certain lack of interest, a certain loss of face that institutions always suffer, especially at a stage such as the one we have been undergoing, with transportation and other problems. The people, however, have responded in an incredible way.

There was impressive participation by the cream of Cuban intellectuals in this assembly process. Their participation and ideas were impressive. Discussed during

this process was the draft proposal of a document that will now be submitted as a proposal to the congress. The speeches made during this process also achieved a high profile. I believe that this time we have not heard the usually large number of requests and petitions that we heard here and there in the past. On the contrary, the people participated with great vigor, a great sense of responsibility, a great awareness of the times during which the congress is being held, and of its significance if everything goes well. We truly hope that everything goes well.

[Rodriguez] The congress will be held on 20-21 November.

[Prieto] On Saturday, 20 November and Sunday, 21 November.

[Rodriguez] At the Convention Center.

[Prieto] At the Convention Center. It is a congress designed to be held with utmost austerity, designed to conform to the situation we are in. There will be a minimum of delegates; that is, 306 delegates. Despite the enormous variety of specialties and cultural groups gathered under the UNEAC, there will be a minimal number of delegates. The preparatory process I mentioned earlier will make it possible for these delegates to come to the congress much better prepared, with many more elements of judgment, and ideas, with a clear understanding of the trends prevailing among the masses by whom they were elected.

[Rodriguez] We are now going to begin the questions. The dialogue has already begun, but the questions will start now.

[First journalist] Abel, if Pedro and Magda allow me, as I work here too, they will perhaps agree with me that it would be useful to begin by describing, in general terms, the proposal that will be discussed at this congress.

[Prieto] The documents, you mean.

[First journalist] Yes.

[Prieto] A conceptual document we have entitled, "Presence and Functions of Cuban Culture Under the Current Circumstances," will be submitted to the congress. I am not sure if the name is quite appropriate, but this is what we have called it. This document evaluates the connections somewhat between culture and education, culture and identity, culture and the mass media. It really raises many topics of discussion, many topics of interest, the range of which transcends the UNEAC framework. I believe it also transcends that of the state cultural institutions.

There is also the mandatory central report in which the leadership elected in the fourth congress submits its report to the plenum of delegates about its management and program, how its program was implemented, what aspects were not implemented, its shortcomings, as well as partial achievements and results. All this will be included in the central report.

There is a document on culture and tourism, which focuses on the ties existing between these two areas. You know that this was a widely discussed topic during the entire preparatory process. The people are highly interested in the subject.

There is one document on national promotion, another on international promotion of culture, and finally, the new UNEAC bylaws, which, despite some changes, some adjustments, some issues relating rather to organizational-structural matters, in essence continue to uphold the idea and nature of this organization, its objectives as an organization of revolutionary, creative people, without ambiguities, and an open line of debates and discussions. These are the documents. If you wish, we could later go into the specifics of some of these documents.

[Second journalist] I believe that the conceptual document will be at the center of the discussions, of the debates at the congress. There is one subject I believe we could discuss here today. We all know that Cuban culture has always contained ethical elements [passage indistinct]. From what standpoint will the UNEAC address, as part of the preparatory process and within the congress itself, those problems concerning intellectual responsibility, ethical responsibility, especially taking into account that this congress will be held within a specific sociopolitical framework within the truly critical times we are all undergoing?

[Prieto] I believe your question is twofold: general ethical issues and the role culture plays in all this.

[Second journalist] Ethical culture and intellectual responsibilities [words indistinct].

[Prieto] Your question is twofold. Let us begin with the aspect of general ethical issues. Well, the subject of ethical issues within our society, the ethical reflection we need is being taken into account. We have assigned priority to this subject. Truly, this situation of shortages and scarcities somewhat undermines values and foments patterns of behavior that are indeed way out of line with the principal Cuban ethical, revolutionary tradition.

We believe culture could make an interesting, significant contribution in launching what could be described as a sort of ethical offensive, but without making this appear as a campaign or something like it. In this general offensive, schools must play an essential role, and every social force that could exert some influence may also play a significant role.

I believe we must strengthen the moral reserves of the Cuban people, to defend our society against the destructive action of villians [picaros], those sinister characters who have been virtually commonplace in our country since colonial times. In the famous novel "La Vida del Buscon," by [Spanish poet Francisco] Quevedo, the

villian ultimately decides to leave for the Americas. He has indeed come to the Americas, where he is wreaking havoc. Proof of this is the level of corruption we are witnessing, all the atrocities we see being committed by many governments. All that is happening because the villian has arrived in those places. This villian is perhaps not so appealing as Quevedo's character, but this one is just as clever, perhaps even more clever. As is known, there are villians not only in our land. The problem of corruption, unfortunately, is quite widespread.

I believe that corruption in our society is, fortunately, on a very limited scale. It is on a scale, however, that should cause us some concern. I believe—and I have used the word offensive, perhaps not the best word—[passage indistinct] all the things we could fight such as patterns of consumerism, pretense, double standards, the underworld of illegal markets, and the burden all this brings upon people's consciences.

We must all agree and work very hard. I believe our society has an impressive capacity to respond. [passage omitted]

In Diez de Octubre, I had a tremendous experience and realized there that this society has such great moral reserves. There are people who are living in artificially negative moods and are unable to draw on these moral reserves. We must strengthen the moral reserves created by the Revolution.

[Third journalist] Abel, however,...

[Prieto] Feel free to interrupt me as often as you wish...

[Third journalist] I believe that to try to strengthen those moral reserves will require some degree of economic backing, right? UNEAC has somehow echoed these ideas, because I noted that among the topics of discussion at the congress is a subject concerning culture and economics. At first, there might not appear to be any connection between these two areas, but our cultural creators have been widely discussing this. Economic aspects have been approached from various angles. I would like you to bring us closer to....

[Prieto, interrupting] Economics and culture. Economics and culture are not only linked in terms of the humanist tradition of patronizing the arts, of which there have been only a few cases in the history of the arts and culture. Unfortunately, from the outset of human culture, there has been a certain type of artistic market. Magda, you are right that for years it has been almost like blaspheming to speak of an artistic market.

We have conceived of culture as an activity that should be subsidized, simply as an activity conceived and designed following the patterns of health and educational programs. We have conceived of it as an activity that falls primarily on the state because it is a way of bringing spiritual strength to the people of various generations.

I believe we should join the art market. I believe we can do this. I already said this the other day at the party assembly of City of Havana Province. I believe we can do it without making concessions. I believe we can do it without making ethical or aesthetic concessions. I believe we can do this in some artistic areas with a high level of competitiveness.

We must acknowledge, however, that there are major cultural areas that must continue to be subsidized by the state. It would be impossible to expect teaching of the arts to provide its own financing. It would also be impossible to expect this from the entire museum system, public libraries, or community institutions. One of our major achievements has been the impressive system of institutions, both at local and national levels, that could set an example for the entire world.

I believe, however, that some activities, such as folk music, plastic arts, music video, and soap operas are highly profitable activities. We have every opportunity to be able to finance the entire cultural system through these activities. We could even make other contributions to our country at such an adverse, difficult time.

The subject of cultural economics also requires a detailed study of each project. We have few precedents in this area. It is a relatively new subject among us. The subject was first raised at the Culture Ministry a few years ago [passage indistinct] accounts for a minor percentage, while the largest percentage accounts for requests and demands for greater social recognition of culture, for greater moral incentives to culture, and so forth. The question is good, however, and that commission is going....

[Third journalist, interrupting] There are, however, independent artists who have already been recognized. I believe we could touch on this subject. It has also been said that some artists are receiving certain remunerations. I believe that the percentages established at the assemblies could not have been high, but the fact that some artists will be allowed to receive a percentage of their earnings in foreign currency is something new. How is this going to work?

[Prieto] Well, you mentioned the independent artists first. In fact, the appropriate documents and legislation regarding plastic artists as independent workers were approved a few years ago. There are indeed a large number of painters, engravers, and handicraftsmen, who are also included in these laws, working on their own. These categories have not been included, however, in the recent list of independent workers because the laws concerning artists had been issued earlier with a view to protecting individual creators and motivating them. At that time, a large number of jobs became available for decorating hotels, work centers, and so forth.

A decree-law currently under study, which could be approved soon, deals with the independent literary creator. There is another decree-law in the making regarding composers as independent creators. These

decree-laws are similar to those issued in connection with plastic artists; that is, the state will not be responsible for supplying them with income. They are based on a voluntary decision by each individual, based on an evaluation of his possibilities in this world of the art market. It is not done anarchically. These decrees will markedly support this idea.

In the case of composers, I believe there will be a number of them who could live comfortably on the income they will obtain from their copyrights. In the case of writers, however, copyright income will be rather symbolic [passage indistinct] magazines, newsprint, and so forth. We have had a process of reversion here. Some writers, who had gone into freelancing shortly before the issuance of the law, who were establishing contracts with radio or television stations, who were doing freelance writing for the press, or who were living off the books and magazines they were publishing, are now trying to be reinstated in cultural institutions, and we are helping them in this endeavor. That is all I can say about independent artists.

Regarding the other subject: the one on foreign currency. It should be noted, so that there is no misunderstanding, that this should in no way be considered payment of salaries in foreign currency.

The resolution signed by the culture minister providing for this type of arrangement has nothing to do with payment of salaries in foreign currency. In the first place, it constitutes a new type of contract entered into between the institution and the creators. It is a contract by which the creator indeed receives part of that contract in foreign currency. The creator could in fact have received this money without the institution's involvement.

What happens then? Let us assume that a plastic artist is living in a garret in Paris. That artist would be the owner of his production and he himself would be the dealer of his paintings. In that case, no apparatus or copying machinery is involved in the operation. That artist may distribute his own paintings.

Later, an international system was established whereby sales are handled by galleries, which charge each artist a percentage for each painting sold, taking into account the gallery's sales promotion. I believe that the path we have taken regarding plastic arts, that is, one conforming to international practices, is the correct one. I also believe that the path we have taken concerning copyrights generated abroad by writers and composers is the correct one.

We have also taken two important steps concerning what have become known as royalties; that is, the right of an interpreter to play a melody or song. This right is in no way related to copyrights. For instance, the author of the song, "With You From Afar," [Contigo en la Distancia], is Cesar Portillo de la Luz and he collects copyrights as an author. Yet, if this song written by Portillo de la Luz is played by a certain group, by a certain orchestra, the royalties for this version of the song would go to that musical group.

Because the amounts to be paid for these items are small, I believe that the state institutions will be able to collect much more now than before. Thus, this procedure is beneficial. First, it will strengthen the institutions. Secondly, it paves the way for administrative work and establishes a contract as the basis for the entire process. This procedure also forces the institutions to be more efficient and to earn the right for workers to market their products through them.

In the past, we were giving our talent away. A Mexican gallery owner would come here and contact an artist directly. This used to happen because our institutions were not efficient enough, because they had not adequately promoted the work of that artist. Thus, a foreign businessman could then obtain a large income using Cuban talent. We have made large investments in talent and we could also take advantage of it from an economic standpoint.

I do not know, Magda, but these are the ideas. I tell you, there are questions, there are things. This payment is not conceived as a salary. It has nothing to do with salaries. This money does not come from the institutions' income because it always comes from abroad. In any case, this money would come from tourists, as it would in the case of plastic arts and handicrafts. Do you understand?

Unlike in the past, I believe the institutions will now be able to participate more, collect more, and do more things. At least the way has been cleared for them to do that. [passage omitted]

[Rodriguez] It is my opinion that today we have top level actors, just as we have top level artists in every other cultural area.

[Prieto] There is an extremely high level of professionalism in every field. Let me give you an example, but I will withhold the name of the country involved. It is a Caribbean country. A comrade who I would not trust to teach Literature classes in a secondary school came up to see me at the UNEAC to tell me that he had been invited by the rector of a university to teach Comparative Literature courses there. I was saying the other day that if an electroencephalogram were performed on this comrade, he would turn out to be a flatliner, but he is going to teach Comparative Literature classes at a university. I tell you, the level of professionalism achieved by Cubans is impressive.

We have such an enormous amount of talent here and we must find ways of using this talent. As you said, we have top-level actors. We have top-level producers. We have top-level directors. We truly have an extremely high level of professionalism.

I believe we can implement that project to set up a production firm, which will bring us a lot of money. It will bring us not only money, but will take our own image to the screens.

At the recent party assembly, I also commented on the fact that although our people enjoy the Brazilian soap operas, they relate much more closely to the Cuban soap operas. The same happens with Cuban films. Hence, the people need to recognize their people, their actors, and their culture on the screen. They need to recognize themselves, their lives, their destiny, and their language. This would be very interesting. In other others, in addition to the economic aspects, this project entails other aspects. [passage omitted]

In the past, because of prejudice, parents were reluctant to have their sons join the ballet group because being a male dancer had a certain homosexual connotation or something like it. I have been told that now there is high demand to join the ballet. This means that this type of prejudice has declined.

Well, apart from this moral prejudice, there is a type of prejudice that I would call, quote, ideological, unquote. This ideological prejudice we find in the everyday life of our organization. This is unfortunately the case. I believe we cannot fight this type of prejudice with a decree.

This is something we have to... [pauses] you may see that there is an ambivalent approach; that is, on the one hand, there is great admiration; while on the other, there is some concern, if you will. This is why I have always strongly opposed every frivolous advertisement on cultural activities, every image showing that artists live in a glittering world. I have fought that and have criticized that type of coverage. Thus, reports on cultural activities play a decisive role here because Cuban artists are here, enduring the conditions of the special period with the rest of the Cuban people; that is, the terrible situation stemming from problems such as housing.

There may be some artists enjoying a much better position. There are in fact some who do, but any type of reports focusing on some superficial, silly aspects of a cultural activity would give the people the impression that artists are living a different reality. I was telling the girl who hosts the "Contact" program, who is a good host....

[Rodriguez] Raquelita.

[Prieto] Yes, Raquelita. I made some remarks criticizing her. I learned later that she and her director were hurt by my criticism of their approach, always interviewing artists with cliche questions such as: Where do you come from? Where are you going? The artist is thus portrayed as a temporary resident, as if he were a swallow with jet engines fitted under each wing. I remember that once they interviewed someone who went to the Veracruz carnival and carried images of the carnival with him, saying: Hey, it was so good. The carnival was so much fun. To put that on the screen at a time when we here have banned popular celebrations such as carnival appears to be almost an aggression. Thus, sometimes we do these things inadvertently.

I believe that they have now polished that program quite well. I have been watching more television lately because I need to do that. (Lizedne) [not further identified] has often criticized me for not doing that. I believe that program is well designed, well assembled, an original program with good graphics. Yet, it had that problem, which I discussed with her, and she understood it perfectly. I would also like to discuss it with the director of the program. She is not the only one who does it, though.

For instance, if a person wins a municipal award from I do not know where, let us say that a person wins the flower games of the Island of Barataria—where, as we all know, Sancho Panza acted as governor—we would welcome him with olive branches. Yet, this same person had been working extremely hard here for 30 years for his people, for the Cuban culture, but we have ignored him because we still have a leftover of cultural colonialism, of that primitive trait that we have fought so much.

We have carried out an anti-imperialist revolution here, but that negative trait is still around and we sometimes find it in reports on cultural activities. We have to fight this. I believe that what we ought to do is to divulge what we are doing here. We have to put more emphasis on disseminating what is being done here. [passage omitted]

I have always said, and I repeat today, that true cultural power rests with television. Whatever is promoted through television becomes something unshakeable. Television has such tremendous power. Reports on cultural activities must be emphasized through a medium like television. Instead of my talking about it, I think Magda ought to do it because she is involved in this.

[Third journalist] This links up with what Pedro was trying to discuss: the efforts UNEAC could make, one way or another, to promote at the domestic level the activities of our artists. I agree with you that some of our artists become famous abroad and that television is the only means for them to reach the national audience when they return to the country. I believe the process should be the opposite. This, however, does not happen on certain occasions. I believe we should make much better use of our promotion mechanisms. We ought to develop them better. What is UNEAC doing in this respect and what is your opinion about the system of promotion conducted in Cuba during these years of the Revolution?

[Prieto] You mean promotion at the domestic level.

[Third journalist] Yes, within the country.

[Prieto] There are thousands of opinions on this. We have heard thousands. We have done everything we can here. Perhaps we could have done more. During all these years, we have acted as an organization that represents creators before those state agencies that are precisely in charge of carrying out that promotion.

Sometimes there is a great deal of misunderstanding about the word promotion. I believe we should consider promotion every mediation effort between the creator and the public. To promote entails not only to divulge, not only to have specialized critics; it also includes the work of gallery owners, editors, bookshop owners, directors of theater groups, and all those responsible for cultural facilities. All these people are part of this process, of this circuit that will carry the creation to the ultimate recipient: the public. This is where a creation reaches its final stage and where the artistic process fully accomplishes its true mission.

To summarize this subject, about which we could talk a great deal, I would say that our most serious problem has been the lack of an evaluation system. Hector, you have spent many years of your life as a sportscaster and you know that there are problems when the Cuban baseball team is to be formed. Yet, in the area of sports, controversy is limited because there are chronometers, performances, players' averages in the previous season, and so forth. There are objective factors in sports that help our comrades leading the sports area to select an international team. Chronometers are not used in baseball, but there are other standards.

[Rodriguez] Yes, there are averages, there are figures.

[Prieto] There are averages, there are figures. What I was driving at is that in the area of culture there is nothing like chronometers and figures. In evaluating cultural work, there is a subjective area in which even the personal taste or preferences of the promoter are at play. Many factors are at play in this area. It is really difficult to evaluate cultural work.

We have a mechanism to evaluate cultural work. We have a system of awards, of contests. There are awards based on critics' evaluation. We issue various awards for achievements in theater, plastic arts. This award system is insufficient. Specialized critics should truly play an essential role here. Unfortunately, we have never built a system of specialized critics, not even when we had enough newsprint and when our press had better chances, when we had more television time available. It is now increasingly difficult to speak about specialized critics.

I believe we need to use television, radio, and all available means. Sometimes these means are not properly used. We still do not fully comprehend the meaning of a commentary, a review, or a critique. There are many problems in this sense.

I believe that within the cultural development of Cuba, which has been inharmonious, we have been greatly damaged. We have obtained impressive results so far as forming creators is concerned. Our results have been much less impressive with regard to forming promoters, namely in the areas of design and marketing. But with regard to critics, we have had very old, ancient problems. I believe that this problem of lacking an evaluation system, plus the disease of egalitarianism, has created many problems, a great deal of dissatisfaction. On the one hand, we created overblown figures who were not worth anything, while on the other, we left highly valuable and creative people either in complete anonymity or under the shadow of pseudoanonymity.

I believe that this special period, which has been good for so many things—that is, to save more, to measure each step, to make increasingly pondered decisions—could also help us in this area. I believe the few, limited chances of promotion available in our country at this time should be used to promote truly talented people, irrespective of where they live. Another problem is that we have sometimes been unable to eradicate a certain situation of objective disadvantage for creators residing in the various provinces compared with those residing in the capital. We have sometimes failed to overcome this. The case of the Camaguey Ballet I mentioned earlier is an example of this. People do not know about it.

The fuel shortage problem has also markedly reduced the chances of national tours. The situation of costumes and furniture in theaters is equally difficult. Power outages have also limited cultural activities in general. Thus, we must sharpen our focus; our promoters must sharpen their focus in deciding which works they should be promoting, which ones they should be disseminating. I do not know if I have answered your question, Magda. I probably did not.

[Third journalist] No, but we could further discuss the issue. [passage omitted]

[Second journalist] Abel, at this point in the program, it would be interesting to go back in time momentarily, then return back in our time. UNEAC was created when Cuban intellectuals met with the leadership of the Revolution in 1961. A phrase coined at that time has epitomized our cultural policy. Comrade Fidel said then: Within the Revolution, everything; against the Revolution, nothing. I believe it would be pointless to raise doubts about the validity of this phrase today. I, for one, believe that as a guiding principle, it is quite valid. It would be interesting to apply this concept to our reality today. I would like to ask what would "everything" and "nothing" mean today?

[Prieto] [Passage omitted] I believe that was a tremendous speech, impressive, taking into account the setting in which it was delivered. Like you, I believe the speech is valid today. I believe it was often misinterpreted, it was sometimes read dogmatically by people with inadequate intellectual ability and cultural sensitivity. The phrase, "against the Revolution," has often been applied to things having nothing to do with attacking the Revolution, to things that did not even have a political connotation. Those situations had provoked errors in implementation of our cultural policy, errors which were fortunately corrected, and of which no trace remains.

[Rodriguez] Errors of interpretation....

[Prieto] Errors of interpretation. I would say that we should interpret the true spirit of Fidel's speech, of his call for unity, of his call for responsibility, of his great proclamation of creative freedom through the words of the intellectuals. We should interpret that spirit and seek to apply it in a cultural policy that should effectively preclude the chances of provocation, of pretexts to attack the Revolution through disguised artistic messages.

I believe we could preclude all this in a clear, clean fashion through editing work, as is done elsewhere in the world. We must do it intelligently and with a culture-oriented approach. I believe that, above all, we must urge our creators to be responsible.

At the same time, we ought to look at things in their proper perspective. One of our problems is that an ant could become a mammoth for us in about 10 minutes. If we have a mammoth in front of us, then we should treat it accordingly. Yet, if what we are facing is an ant, we should treat it as an ant. This is a very bizzare thing about us. We should consider each thing from the standpoint of its true size and weight.

We should also see which channels are disseminating certain things. These types of things are sometimes analyzed without taking the source into account. At one time, I remember I spoke ad nauseam about experimental spaces and how important they were as an introduction to broader channels of promotion. We talked about this at the UNEAC at least 20 times. Well, this idea was applied in some cases and proved to be useful.

There were even cases of seemingly shocking artistic works, which provoked a crisis. As time went by, after the eagle flew over the sea, nothing happened. These works were really harmless. Sometimes we government officials, I regard myself as one because of the nature of my work, charged with implementing the cultural policy of the Revolution, need to be more flexible, more measured, and more importantly, we need to categorize problems.

We should also engage in more straight talk with the creators. We are publishing LA GACETA every two months. I will bring you a copy. This is an open publication that includes discussions. Sometimes we receive items for LA GACETA that we truly consider unfit for publication. Then we would discuss the situation with the authors of these items and outline our viewpoints, the space we are defending, what objectives we are seeking through LA GACETA, what objectives we are seeking with a publication like this, and why certain types of items are not suitable for LA GACETA for one reason or another.

I believe that the clearer the explanation, the more open the discussion on this, the more grateful people are. What people do not like is mystery. In an assembly, someone spoke about mystery regarding a play, that there was a ghost. People do not like to be told about mysteries, about ghosts, or about corridor gossips. I believe we must openly address these things.

Each promoter must be aware of his responsibilities in an emergency situation like this, when our country is undergoing a tremendous crisis; when our country is experiencing an extremely difficult situation; when we are being harassed and blockaded; when our economic situation is one geared for survival; when our country is committed to saving the achievements of socialism and the Revolution.

It is also each promoter's responsibility to try to make the creators understand the situation. This does not mean, however, that that promoter should become such a cautious person that he begins seeing ghosts everywhere, begins worrying about everything, expects everything to come from above, expects everything to be presented to him in a very clear fashion, or needs to consult about everything. In so doing, a promoter is just causing damage and creating confusion.

We have had an extremely good experience with LA GACETA. We have published very courageous, interesting, widely discussed items. Yet, we have not had a single problem despite having turned down hundreds of articles. We have not, however, made any mystery out of it. We simply ask the author to sit and we tell him we cannot publish his article for this or that reason and so forth. Or else we tell thim that this is not a measured or balanced work. Do you understand?

[Rodriguez] I like LA GACETA a lot.

[Second journalist] It should stop publishing controversial articles, though.

[Rodriguez] There are controversial articles.

[Prieto] This is what I was telling you. I was just giving you an example that in any publication, even one with such an open outlook as LA GACETA, you are bound to receive freelance articles that could be politically motivated, although this is not true in most cases. We sometimes simply need to turn them down in light of their profile or of other things. We need to speak to people clearly.

This is a time when we have to make a great effort to refrain from hurting people. It is also a time when we should speak to our people as clearly as possible. I believe that one thing people appreciate is clarity. When people see confusion, they become paranoid. Confusion is now more harmful than ever in light of the extremely difficult situation we are facing. Sometimes there are people who give a political connotation to a personal frustration.

The situation is so difficult that sometimes a mediocre individual, who would not stand a chance anywhere in the world, fails in an undertaking, as is the case with mediocre people in 99.9 percent of all situations, and he

would blame his failure on socialism. It would be like the man with a nasal voice who wanted to become a radio announcer.

I believe we should speak clearly to the people. We need to engage in open, clear discussions. We have also noted that in various territories there is respect for creators. These are territories where an open dialogue is held, where there are intelligent people capable of engaging in discussions. We need cadres who are capable of engaging in discussions. This is also a time for discussions.

We have encountered other problems too. I outlined these problems the other day. People have developed such a dislike for jargon that revolutionaries can virtually no longer hold discussions because we do not have a language. Everything is jargon. The anti-jargon mood is so strong in some sectors that people have practically become speechless. I believe all this is absurd. The problem is that there is a rightist jargon, which is as stupid and clumsy as the allegedly dogmatic lefist jargon.

There are people who adopt a rightist jargon as if it were an official line. I cannot stand the idea of that caricature, created around real conflicts, between individual opinions of creators, writers, journalists and certain requirements, circumstances, and pressures surrounding that individual. With caricatures such as pro-official lines and anti-official lines....

[Second journalist, interrupting] As if there were no supporters of official lines on the other side. There is also an official dogmatic, annexationist line of the right against the Revolution.

[Prieto] In any case, what I do not want, Hector, is to make it look as though there is political turmoil around that. What I am saying is that these are problems of these times. This is a complex time, when we have to discuss a lot, when we argue a lot. We fortunately have an arsenal of arguments that carry such tremendous force.

[Rodriguez] We have the truth.

[Prieto] We have the truth. It is increasingly obvious that truth is on our side. Yet, we should be able to persuade others, we should be able to argue, we should learn to listen, too. We must learn to debate. It has been my experience that the more clearly you speak to the people, the more clearly you present the truth to them, the better. Things go better that way. The atmosphere becomes ultimately much cleaner. The less you confuse things, the better. I believe our people have also asked for clarity. Were you going to say something?

[First journalist] Abel, in light of the economic and ideological situation our country is experiencing, how important today is in preserving our cultural heritage, our national identity. In a nutshell, what do you expect in terms of the unity of our artists and intellectuals during this fifth congress?

[Prieto] Well, Rita, unity has already been achieved. Even without this congress, we would have unity. Our unity is not an issue here. Although there may be some exceptions, I believe we have a strong unity and a commitment that is renewed daily. We must try to renew this commitment through jobs, through rallying ideas we may find together, and so forth.

I expect that in this congress we may be able to jointly design a work program, that all of the delegates, drawing on the experience obtained through the preparatory process, we may design a program aimed at saving Cuban culture, aimed at preventing the shrinkage of cultural activites from causing irreparable damage to any cultural sector or activity, and aimed at fulfilling the spiritual needs of the Cuban people. There is a tremendous need for cultural fulfillment at this time.The people convey this need in a thousand different ways. We must respond to our people's expectations of continued access to cultural activities, not passively, but participating in them as co-creators.

I believe that one of the challenges we will be facing in this congress is to find that conceptual springboard that would be instrumental in strengthening our unity, taking into account the multiple ideas and opinions existing among Cuban intellectuals. We ought to renew both our unity and commitment, and at the same time, respond with specific actions to the challenge of saving our culture and maintaining our cultural life at this time.

[Rodriguez] We have been talking for a little more than an hour. We have touched on many topics. [passage omitted]

I was looking at the documents to be submitted to the congress and I realize that there are many other topics of discussion. It would be impossible to cover them all in one program. As I said at the outset, this will be a great event that will take place eight days from now; that is, on 20-21 November at the Convention Center. As comrade Abel said, it will be held in an atmosphere of great austerity. I would simply like to thank Abel Prieto for having devoted some of his time to us, and the journalists here for their time. I wish you, personally, and the UNEAC much success in your congress.

[Prieto] Thank you.

Maria de los Angeles Garcia Closes UNEAC Congress

FL2311010893 Havana Cuba Vision Network in Spanish 2320 GMT 22 Nov 93

[Text] The Fifth National Union of Cuban Writers and Artists [UNEAC] Congress concluded following several work sessions. Politburo member Maria de los Angeles Garcia's address closed the congress. The Communist Party of Cuba official stressed that Art has a primary role in the modes and forms of promoting, maintaining, and strengthening the unity of the people on every socialist project and with its revolutionary vanguard. After discussing several elements of the lofty mission of culture and the UNEAC in contemporary Cuban society, Maria

de los Angeles Garcia stressed that everything we might be capable of doing at this time should be determined by the urgent needs and shortages marking this period. She also invited writers and artists to intensify their dignifying role now, when more than ever, our powerful enemy aims at us with every weapon at his disposal.

Minutes before the closing ceremony, the congress delegates approved the work guidelines for the next five years. The role of culture in preserving the project of social justice and national independence was highlighted among other aspects included in the document. By unanimous decision, the delegates to the Fifth UNEAC Congress sent a message to intellectuals and artists of the world to join their voices against the blockade, which, ever more inhumane and unjustifiable, is being endured by Cuba.

Laos Hands Over Coffee Aid; Relations Hailed

BK2111054693 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 21 Nov 93

[Text] On 12 November at the office of the Institute of Friendship With Other Countries of the Republic of Cuba, the Cuba-Laos Friendship Association and the Lao ambassador to the Republic of Cuba held a ceremony to hand over 100 metric tons of coffee aid sent by the Lao Government and people to Cuba as a gesture of solidarity and support for the Cuban people's struggle against natural calamities and the external blockade, and to safeguard the revolutionary fruits.

In his address at the handing-over ceremony, the Lao envoy pointed out the long-standing traditional friendly relations between the Lao and Cuban Governments and peoples. Despite living far apart, the Lao people always stand by the side of and support the struggle of the Cuban people under the leadership of the Communist Party of Cuba led by Comrade Supreme Commander Fidel Castro for safeguarding national independence and revolutionary fruit, against the enemy blockade, to resolve socioeconomic difficulties, and for self-determination. He said: The final victory will belong to the fraternal Cuban people. He expressed thanks and gratitude to the fraternal Cuban party, state, and people for consistently giving support and assistance to the Lao revolution.

For his part, [name indistinct], chairman of the Institute for Friendship With Other Countries of the Republic of Cuba, stressed the friendly relations between Laos and Cuba, saying that they are inseparable and will be further strengthened. He noted that the aid from Laos proved that the Lao Government and people are confident in the victory of the Cuban people.

Rangel Proposal To End Blockade Noted

FL2011144693 Havana Radio Rebelde Network in Spanish 1000 GMT 20 Nov 93

[Text] Congressman Charles Rangel has introduced, in the Foreign Affairs Committee of the U.S. House of Representatives, a draft law putting an end to the U.S. blockade of Cuba. Rangel said that there exists within the Cuban-American community in the United States the opinion that Washington's policy of economic and trade reprisals against Cuba is not only inhuman but also counterproductive. Congressman Robert Torricelli, however, who was the author of the law bearing his name aimed at intensifying the U.S. blockade of Cuba, said the discussion of Rangel's proposal at the White House must maintain its hostility toward the Cuban people. [sentence as heard] Torricelli also insisted that the U.S. Government must sanction any U.S. citizens who violate blockade- related laws.

For his part, Alexander Watson, assistant secretary for inter-American affairs, reiterated that, as regards the blockade, U.S. President William Clinton's position against Cuba has not changed.

Meanwhile, just a few hours ago, the U.S. Senate approved a $22 million budget to increase the ranks of the police in the United States by 100,000 people, as well as to build more prisons, with a view to tackling rising crime in the United States. Violent crime in the United States has increased by 10 percent in the past decade, which has obliged Clinton to consider the need to prohibit the unrestricted sale of 19 types of semi-automatic rifles and to extend the death penalty to more federal crimes.

TV Advertisements Aired for First Time in 30 Years

PA2011194493 Mexico City NOTIMEX in Spanish 2216 GMT 19 Nov 93

[Text] Havana, 19 Nov (NOTIMEX)—Starting today and for the first time in more than 30 years, the Cuban Government television channel will begin to air commercial advertisements during the broadcast of the 17th Central American and Caribbean Games in Ponce, Puerto Rico. "It is not the consumer promotion of a product or service but what we call corporate image in publicity jargon," Juan Hernandez, first vice president of the Cuban Radio and Television Institute, stated.

The advertisements or corporate images, as described by Hernandez, are for firms such as Guitart Hotels, Cannon, DHL Message Services, Bodegas Vega de la Reina, Cubanacan S.A., Havanatur, Cubana de Aviacion airlines, and others. The firms are mixed ventures that began operating on the island after it opened to foreign capital.

Tobacco Planting Delays, Brand Names Problems

FL1911191593 Havana Radio Rebelde Network in Spanish 1700 GMT 19 Nov 93

[Interview with Osvaldo Rodriguez, reporter of the JUVENTUD REBELDE newspaper, by reporter Carlos Santana Ojeda on the "Straight Talk" program]

[Excerpt] [Passage omitted] [Santana] What is the situation with the Cuban tobacco industry in the framework of Cuba's growing exports?

[Rodriguez] The tobacco industry has been greatly affected by weather conditions. The climate has not been good for our tobacco. I also believe there have been some errors by way of not planting on time. Tobacco is an extremely delicate crop that requires things be done on schedule. This has become a motto that is frequently used, but the truth is that peasants say that if it is not done on time, the tobacco loses its quality. In the past, we would make approximately 100 million pesos from the tobacco industry.

There is another phenomenon that has also been affecting us in this area. In addition to a decrease in our production, we have had difficulties in marketing the tobacco abroad, mainly because the brands Cuba uses to market its tobacco abroad are brands that were used for many years. Some of these brands date back from the beginning of the pseudo-Republic. There have litigations by relatives of the original owner of the brand name, who have made claims. I believe that in this matter there has been some kind of conspiracy. It is not normal for families, who do not even know each other, suddenly to begin claiming a brand name that has been used by the state for more than 35 years and that is of high demand among its regular customers. [passage omitted]

Lezcano Chairs Anticrime Party Meeting in Havana

FL2011024093 Havana Cuba Vision Network in Spanish 0100 GMT 20 Nov 93

[Text] The party meeting on internal order in the capital reflected the resolve of the combatants to fight crime with energy, precision, intelligence, and rationality.

Chairing the party assembly were Jorge Lezcano, member of the Politburo and first secretary of the party in City of Havana Province; Division General Carlos Fernandez Bondin, first vice minister of the Interior Ministry [MININT]; and Division General Romarico Sotomayor, MININT vice minister and chief of internal order in the capital.

The main report submitted to the plenum emphasized the need to achieve higher levels of efficiency in the fight against crime by improving police procedures and by enhancing the people's support.

The delegates discussed subjective and objective difficulties that at times affect the overall operational procedures. Also discussed were crime prevention measures, emphasizing the police role in creating an atmosphere of tranquiltity for the people.

Minister Notes 'Sacred Obligation' To Produce Food

FL2211014993 Havana Radio Rebelde Network in Spanish 1800 GMT 20 Nov 93

[Text] Upon closing the seventh national gathering of the Cuban Livestock Production Association, Agriculture Minister Alfredo Jordan Morales said: In times such as these, we can expect nothing short of devotion to their work by those who produce foodstuffs. Here is journalist Margarita Pecora with further details.

[Pecora] The minister of agriculture stressed that to produce foodstuffs for our population, seeking new, revolutionary, socialist formulas to obtain more is a very sacred obligation. He pointed out, in particular and in this connection, the positive experience of the Basic Cooperative Production Units [UBPC], which include the field of animal husbandry. Regarding these new structures, Jordan warned against a tendency to idealize things, emphasizing in passing that the UBPC's need a great deal of attention, guidance, organization, monitoring, and exigency; that human and material resources must be provided in the properly required amounts; and that an awareness of economics, the fact that they [not further identified] are the true owners of social wealth, must prevail among all cadres and workers.

The Cuban Livestock Production Association, which met for two days in Santiago de Cuba, focused attention on how to recover past production levels in the livestock sphere, explored in depth many of those subjects emphasized by Jordan in nine workshops.

Education Minister Stresses Importance of Self-Supply

FL2011163393 Havana Radio Reloj Network in Spanish 1510 GMT 20 Nov 93

[Text] Education Minister Luis Gomez has stressed the importance of rural schools' having tuber and vegetable self-sufficiency plots, and especially the 43-pig livestock modules. In this regard, Gomez said this effort is a significant contribution to feeding the students, especially during the current difficult times the country is going through. Gomez said that Pinar del Rio, Sancti Spiritus, Camaguey, and Las Tunas Provinces are outstanding in this respect, while in other provinces, such as Havana, the effort is not uniform.

The education minister said the rural schools need to become little farms that will contribute to forming a producer mentality in the young people, in keeping with Jose Marti's principle of linking study and work.

Plans for Guantanamo Television, Radio Noted

FL2011155793 Havana Radio Rebelde Network in Spanish 1000 GMT 20 Nov 93

[Report from Guantanamo correspondent Jose Mejias]

[Text] Guantanamo has 75...[pauses] must already have somewhat under 75 percent of quiet zones [zonas de silencio], which are due, precisely, to the extensive mountain areas that exist in the province. The news is that there are already television transmitters in the middle of the mountains. One was inaugurated last month, for example in Bernardo, Yateras Municipality, an area that is quite remote, and this benefits over 5,000 area residents who, before, for all practical purposes did not watch television.

And there are other investments planned. Briefly: two AM transmitters are going to be set up for this provincial chain CMKS, "Radio Trincheras Imperialistas" and for Radio Rebelde. These transmitters will allow us to extend the signals of these radios a bit farther.

Roundup of Economic Activity Reported 18-20 Nov

FL2211155693

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 18 and 20 November.

Radio Rebelde at 1800 GMT on 18 November reports that land preparation has begun in Guines Municipality to plant 40 potato caballerias as part of the cold season campaign which comprises 105 caballerias of various crops, the responsibility of five of the seven Basic Cooperative Production Units [UBPC's] created.

Rebelde adds that the people of Cienfuegos are building windmills as part of the integral development program of national energy sources being conducted in the province. The medium-term goal is to build 500 windmills, 123 of which have been installed on cattle ranches. Officials interviewed stress that ingenuity has been essential to overcome shortages of materials.

Rebelde further adds that a Mexican donation of sanitary supplies and medicines from the Tabasco Solidarity Committee was received by the Marvan Pedriatric Hospital in Havana.

Rebelde notes that direct flights between Italy and Ciego de Avila are scheduled to restart on 18 January. The weekly flight of the Spanish airline Air-Europa will bring tourists to Cayo Guillermo.

Radio Progreso at 1200 GMT on 19 November reports that in the Revolutionary Armed Forces campaign observing the 40th anniversary of the attack on Moncada barracks, 500,000 quintals of vegetables and tubers were harvested, "hundreds of caballerias" planted, and "several thousand" cared for, producing income of over 9 million pesos.

Radio Rebelde at 1800 GMT on 19 November reports that a furfuryl alcohol factory, an 8-million-peso investment, is being built in Florida Municipality, Camaguey Province. The new plant is to begin producing furfuryl alcohol, a sugarcane by-product, in the first half of 1994 and will be able to produce 1,800 tons a year. A ton of this product goes for between $2,000 and $2,100 on the international market.

In the same newscast, Rebelde reports that the workers of the Raul Cervantes Vulcanizing Plant have this year recycled close to 10,000 tires, mainly for equipment to be used in the sugarcane harvest. Although the plant vulcanizes and recycles bicycle tires and other tires, in addition to producing couplings, rubber seals, and solid tires, it has, since last August, been giving priority to the tires needed for sugarcane agroindustry.

Radio Rebelde at 1000 GMT on 20 November reports from Matanzas Province that the use of the methane gas extracted in Varadero could be increased by over 70 percent if organizations would give a little impetus to their steps to employ that fuel. Rodolfo Lopez Bolanos, a technician at the methane gas plant, told the "Doing Radio" program that the plant is capable of producing 200 tanks a day and is operating at 25-percent capacity because there is insufficient demand, despite the fact that this gas can be used to cut metals and replace gasoline in certain kinds of motors.

Reloj Network at 1513 GMT on 20 November reports that Villa Clara Province has begun planting under its 91-caballeria potato-planting plan. The province harvested 447,000 quintals of potatoes during the last campaign and has promised to exceed this figure during the current campaign. The honor of beginning the planting fell to the (Cascajal) Miscellaneous Crops Enterprise, which last year obtained a yield of 6,000 quintals per caballeria. The greatest planting will take place in the Yabu River Valley, which has 41 caballerias earmarked for potatoes, followed by Sagua la Grande with 15, and the cooperative and small farmer sector with 9.

Radio Reloj at 1714 GMT on 20 November reports that Alfredo Morales Cartaya, member of the Cuban Workers Federation National Secretariat, is back in Cuba after participating in an exchange program with unions in the Spanish provinces of Sevilla and Barcelona. Cartaya, "who is also secretary general of the workers movement in the capital," met with the Workers Committees in Spain. Barcelona workers will continue to support Cuba's urban transportation sector by sending buses and parts and will increase the level of donations for the first quarter of next year. Sevilla is going to donate work clothing, shoes, and protective equipment for individual use.

Radio Reloj at 1715 GMT on 20 November notes that Cuba has close to 1.9 million family and collective food plots, thanks to the work of the Committees for the Defense of the Revolution [CDR]. In Holguin Province, CDR members created 275,600 such plots with a view to increasing self-sufficiency.

Dominican Republic

* Opinion Poll Favors Pena Gomez Over Balaguer

94CA0035C Santo Domingo EL SIGLO in Spanish 4 Oct 93 p 1

[Text] About 72 percent of the Dominican people consider that the economic situation in the country is the same or has worsened over the last seven years, according to a poll carried out by Penn and Schoen associates, under the auspices of the Dominican Revolutionary Party (PRD).

The data appear in a table, according to which about 28 percent believe that the economic situation in the country has improved over the past seven years. About 49 percent thought that it has deteriorated, while 23 percent believe that it has remained the same.

The statistics covering the poll are contained in a short report sent by the PRD to this newspaper on the evening of 3 October.

The data were in approximate agreement when the 1,000 persons in the same, national polling sample were asked by Penn and Schroeder about their personal, economic situation over the past seven years. To this question about 24 percent replied that their personal situation has improved. About 41 percent said that their situation has worsened, while 34 percent said that it has remained the same.

According to the same poll conducted by Penn and Schoen, in another table concerning their views of the economic situation about 62 percent consider that the situation in the country is going seriously wrong, compared to 35 percent who consider that the country is on the right track.

Regarding the leadership of the country, those polled were given a series of areas to determine whether President Balaguer or Dr. Jose Francisco Pena Gomez would perform better. The opposition presidential candidate was broadly favored in this area.

About 48 percent of those polled considered that Dr. Pena Gomez would provide more jobs, while 45 percent stated that President Balaguer would provide more jobs. In the field of housing construction the present chief executive received the support of 82 percent of the sample, compared to 17 percent for Dr. Pena Gomez.

Regarding education, about 54 percent of those polled thought that the PRD presidential candidate would do better, compared to 42 percent for Doctor Balaguer. About 57 percent thought that Pena Gomez would be more effective as president in bringing down the cost of living, against 37 percent who favored President Balaguer.

Another aspect brought out by the poll is that in the opinion of 57 percent of the sample Dr. Pena Gomez would work effectively in dealing with corruption in government, while 35 percent of the sample believe in President Balaguer.

Regarding what the two candidates would do to solve problems in the public health service, the numbers were similar: Pena Gomez, 57 percent, and Balaguer, 39 percent.

In a table concerning what the Dominican people think are the principal, national problems, the sample brought out the fact that about 44 percent consider that the high cost of living is the most serious; 22 percent consider that the most serious problem is the lack of jobs; and 10 percent consider that education is the most serious problem.

* Jan-Aug Trade Deficit Tops $986 Million

94CA0035B Santo Domingo EL SIGLO in Spanish 12 Oct 93 p 1-D

[Article by Jose Mercedes Feliz]

[Text] Trade by the Dominican Republic with the rest of the world during the first eight months of 1993 reflected a deficit of $986.8 million, thereby worsening the deterioration of the foreign trade sector.

According to the bulletin, "Principales Indicadores Economicos" [Principal Economic Indicators], published by the Banco Central [Central Bank] in October, during the period January-August 1993 exports of merchandise amounted to only $388.3 million, while imports amounted to $1,375.1 million.

It is noted that exports—which amounted to $388.3 million during this period—fell by 8.8 percent, compared to the first eight months of 1992, when they amounted to $425.8 million.

Nevertheless, imports recorded an increase of barely 0.1 percent, rising from $1,373.1 million from January to August 1992 to $1,375.1 million during the same period of 1993.

Sales of sugar and related products during the first eight months of 1993 amounted to $127.4 million; coffee and coffee products, $17.2 million; cacao, $27.3 million; tobacco, $14.6 million; minerals, $95.0 million; and other products, $106.8 million.

However, during the same period in 1992 exports of sugar and related products amounted to $131.9 million; coffee and coffee products, $22.7 million; cacao, $30.2 million; tobacco, $12.1 million; minerals, $142.5 million; and other products, $86.4 million.

In 1993 the Rosario Dominicana and the Ideal Dominicana companies continued in operation, while the Falconbridge mining company had its ups and downs, due to low demand and the decline in prices in international markets.

The reduction of income from exports of gold, silver, and limestone was attributed to the fact that the Rosario Dominicana and Ideal Dominicana companies had virtually stopped work. The Alcoa company suspended its activities in January 1991 on orders from the Office of the President.

Meanwhile, imports of petroleum and petroleum products amounted to $303.4 million during the period from January to August of 1993; coal, $5.8 million; and food products, $8.2 million—including purchases abroad of fats and vegetable oils by the National Institute of Price Stabilization (INESPRE). Imports of wheat amounted to $27.2 million, while imports of other products totaled $1,030.5 million.

However, during the same period of 1992 imports of petroleum and petroleum products amounted to $323.9 million; coal, $6.4 million; food products, $6.2 million—including purchases abroad of fats and vegetable oils by INESPRE. Imports of wheat amounted to $25.3 million, while imports of other products totaled $1,011.3 million.

In 1991 exports amounted to $658.3 million and to $562.4 million in 1992. Nevertheless, in 1991 imports amounted to $1,728.8 million, while in 1992 they rose to $2,174.6 million.

At present Secretary of Industry and Trade Arturo Martinez Moya is trying to persuade the business sector to accept a program for promoting exports.

* ONAPRES Reports September Revenues, Expenditures

94CA0035A Santo Domingo EL CARIBE in Spanish 19 Oct 93 pp 1, 4

[Text] Central government revenues for September 1993 amounted to 1,772.1 million Dominican pesos, the National Budget Office (ONAPRES) stated in a document distributed on 18 October.

ONAPRES explained that, together with funds deposited in the Special Funds, the revenues of the central government for September amounted to 1,848.4 million pesos, of which 1,081.4 million pesos were earmarked for investment.

Compared with tax collections in August 1993, the revenues of the central government for September increased by 187.8 million pesos. In August revenues collected by the government amounted to 1,584,294,688 pesos.

Government collections of domestic resources so far in 1993 amount to 14,189,208,552 pesos.

In January 1993, collections amounted to 1,393,454,797 pesos; in February, 1,448,948,957 pesos; in March they rose to 1,453,981,666 pesos; in April collections totaled 1,675,813,932 pesos; in May, 1,553,789,786 pesos; in June they amounted to 1,927,835,945 pesos, the largest collections of domestic resources so far in 1993; in July, 1,378,972,541 pesos; in August, 1,584,294,688; while those in September amounted to 1,772,116,240 pesos, the second highest monthly collection in 1993.

Following is the text of the ONAPRES press release, in which details are provided on the use of revenues collected in September 1993:

"The National Budget Office, in the interest of keeping the public informed about state revenues and expenditures during the month of September 1993, announces the details for this month of the current fiscal year.

"The strategy of the present government, headed by President Dr. Joaquin Balaguer, involves the essential, priority expenditure of public funds in the sectors of agriculture, irrigation, safe drinking water, energy, health, and education, not to mention other essential aspects which contribute to harmonious development and the progress of the national economy.

"During September 1993, national revenues amounted to 1,772,116,240 pesos which, added to the balances accumulated in the Special Funds, made available 1,848,435,400 pesos, of which 1,081,487,373.30 pesos were earmarked for investment.

"The agriculture, irrigation, and energy sectors received 346,256,188.07 pesos. In particular the National Institute of Water Resources (INDRHI) received 48,258,302.25 pesos for the construction and supervision of the Higuey and Aguacate dams, the Sabaneta dam project, and the construction and repair of irrigation canals and the maintenance of other dams.

"The Dominican Electricity Corporation received 41,822,320.51 pesos to meet the commitments of this institution and to help to improve the energy system in our country.

"The Instituto Agrario Dominicano (IAD) [Dominican Agrarian Institute] received 17,454,522.99 pesos to carry out several projects and to finance various agricultural programs. The Banco Agricola [Agricultural Bank] received 206,889,610 pesos to finance small and medium sized producers and to purchase rice to be used in state social programs and in the implementation of the Small Producers' Project of the Southwest. The Special Fund for Agricultural Development (FEDA) received 1,440,190.25 pesos to expand programs to provide help to agricultural production and for other, related purposes. La Cruz de Manzanillo [The Cross of Manzanillo] project received 2,678,188 pesos to plant different, agricultural crops. The Secretariat of State for Agriculture received 38 million pesos to provide support to small and medium sized farmers and for the implementation of different agricultural programs and projects.

"The National Institute of Drinking Water and Sewage [INAPA] received 48,592,072.87 pesos for the construction of the aqueducts of Puerto Plata and San Pedro de Macoris, as well as other aqueducts in different areas of the country.

"The Banco Central de la Republica [Central Bank of the Republic] received 160 million pesos to make payments on the public debt. The Santo Domingo Waterworks and Sewage Corporation [CAASD] received 97,936,443.33 pesos for the construction of the aqueduct from Valdesia to Santo Domingo, the Cibao Central aqueduct, and other public works.

"Finally, the Secretariat of State for Public Works and Communications received 366,095,938.88 pesos, the Office of Supervisory Engineers for State Public Works received 82,87,661.41 [as printed] pesos, and the Office for Coordination and Review of State Public Works received 45 million pesos for the implementation of public works and programs of social and economic interest throughout the country, such as housing, airports, seaports, free trade zones, aqueducts, sanitary sewage works, highways, local roads, and the maintenance of streets and historic monuments."

Haiti

Parliament Members React to FRAPH Demands

FL2211175993 Port-au-Prince Signal FM Radio in French 1130 GMT 22 Nov 93

[Excerpt] Antoine Joseph, president of the Chamber of Deputies, is indignant at statements by the members of the Revolutionary Front for Haitian Advancement and Progress [FRAPH]. Those statements have aroused keen reaction from parliament members. Several expressed their indignation following statements by FRAPH leaders calling on the people to go to the parliament with ropes to [tie up parliamentarians], to dissolve the parliament, and to close the Legislative Palace because the deputies and senators are incompetent and have done nothing to improve the current situation.

Senator Julio Larosiliere said the parliament members are used to hearing such statements and invited FRAPH members to reflect in order to convince themselves that without the presence of the parliament there would be corpses in Port-au-Prince and provinccial streets, civil war, and, perhaps, a foreign occupation. For his part, Socialist Deputy Mac-Ferl Morquette considered those FRAPH statements thoughtless.

The president of the office of the Chamber of Deputies has also reacted. At a time when all sectors in the national life are involved in the search for a final solution to the Haitian crisis, the office of the Chamber of Deputies bitterly notes that the Haitian parliament is the subject of a controversy relating to statements by FRAPH leaders during a news conference held on 16 November, says a press release issued by the president of the Chamber of Deputies. In fact, the threats against the parliament and its members can be justly interpreted as signs of a campaign of destabilization of the parliamentary institution.

The office of the Chamber of Deputies takes very seriously those threats coming from a political front whose sole compass in this time of national peril should be the safeguard of the Republic's institutions. It is advisable to measure the consequences of the obliteration of the parliamentary institution that has maintained its constitutional responsibilities throughout the crisis.

The office of the Chamber of Deputies takes the opportunity to invite all sectors involved in this serious crisis to show reason and to identify together all indicators that can lead to the disentanglement of the country. This note is signed by Dr. Antoine Joseph, president of the Chamber of Deputies. [passage omitted]

Union Leader Discusses Factory Closings

FL2211181593 Port-au-Prince Radio Metropole in French 1145 GMT 22 Nov 93

[Text] The factories in Port-au-Prince are closing their doors, according to a labor union leader. Most of the assembly plants still in operation have repatriated their supplies and equipment. Others have chosen to relocate to other, more politically stable countries. Jean-August Mesyeux, leader of the Autonomous Organization of Haitian Workers, CATH, who reportedly made an investigation of the industrial sector, holds political leaders and the international community responsible for the situation of Haitian workers: [Begin recording, in Creole] Some 40 factories on the Airport road have already closed their doors. In the Industrial Park, where most factories are located, 60 have definitively closed their doors. In Mevs Park, four factories are reported to have closed. On National Road 1, at the entrance to MICHICO, five are considering closing. Acierie D'Haiti [Haitian Steelworks] and Industrie Nationale [National Industry] are no exception. Those factories and industries can neither import nor export because of the embargo.

The number of workers who were working for the daily $3 [15 gourdes] pay in each of those factories varies from 200 to 500. Some factories that have not closed their doors are working with a reduced number of workers under difficult conditions. Misery is written on their faces. The factories that have already closed have gone to Miami, the Dominican Republic, or other countries in the Caribbean. [end recording]

Fuel Shortage Situation Remains Unchanged

FL2211232893 Port-au-Prince Radio Metropole in French 1700 GMT 22 Nov 93

[Text] A week after the release of local stock by Shell, Texaco, and Esso, the situation has not really changed. Gas and gas oil are still scarce and sometimes sold at exorbitant prices. Eight days after the resumption of activities, motorists in Port-au-Prince sit in long lines to fill up.

Another difficulty is the traffic jams in certain neighborhoods, namely Delmas, Carrefour, and Lalue. The situation is difficult, but even more difficult on Kenscoff Road where local residents have great trouble reaching the downtown area.

It should be noted that oil products, gasoline, and gas oil are still being sold in containers even though the Port-au-Prince Police Department has prohibited the sale of fuel in containers.

UN/OAS Mission Head Returned to Haiti 20 Nov

FL2211233393 Port-au-Prince Radio Metropole in French 1700 GMT 22 Nov 93

[Excerpts] UN spokesman Eric Falt announced today that the head of the civilian mission in Haiti, Trinidadian Colin Granderson, returned to Haiti on 20 November. According to Mr. Falt, in the absence of mediator Dante Caputo, Colin Granderson will be in charge of coordinating all UN activities in Haiti, with particular attention on humanitarian aid.

The mission of Colin Granderson has no time limit, but will be based on reinforcement and improvement of humanitarian aid. Right now, mission members are still lodged in the Dominican Republic, to which they had been evacuated last month. No date has been set for Dante Caputo's return to Port-au-Prince. [passage omitted]

The immediate priority is to reinforce the structures of humanitarian aid and to improve the aid's distribution network, specified the UN spokesman today.

Ministry of Economy Sends SOS on State Finances

FL2211233493 Port-au-Prince Signal FM Radio in French 1130 GMT 22 Nov 93

[Text] The Ministry of Economy and Finance advises that unlike previous years, the month of October, which was usually a month of strong accumulation of fiscal receipts, ended with an extremely weak receipt level, that is 64.2 million gourdes. The political situation did not favor an efficient collection of the various taxes that are due at the beginning of the fiscal year, such as for professional identity cards, trade licenses, fiscal registration cards, income taxes, and sales taxes. Similarly, the expenses have totaled 67 million gourdes. This expense restriction reflects the lowest monthly deficit of the past two fiscal years, 2.8 million gourdes.

The downward trend in fiscal receipts that seems to be continuing into November reflects the difficulties of continuing with the everyday operations of the public revenue department as it relates to the state employees' payment schedule. From 1 to 9 November, the fiscal receipts amounted to 14 million gourdes, whereas 19.2 million gourdes was spent for payment of salaries in the following administrative units: Superior Court of Accounts and Administrative Litigations [the Supreme Audit Court], Ministry of Economy and Finances, Haitian Armed Forces, the prime minister's office, Ministry of the Interior, and Ministry of Defense.

Not only is nonpayment of taxes having serious consequences on the economy, the extension of the crisis and the reimposition of sanctions against the country are as well. The resumption of business, which had experienced a stimulation of credit to the private sector at the beginning of October; and stabilization of the exchange rate [of the gourde], which could have allowed new investments, was quickly nullified. There was also a marked slowdown in the transportation sector. For information only, we note that only 25 merchant ships came into the Port-au-Prince port in October, as opposed to 55 in September.

Following a decrease of about 40 percent in the fill rates of their planes, some airline companies have cancelled or reduced the number of flights to Haiti. In view of a new situation, [corrects himself] in view of such a situation, the fiscal authorities have taken all proper measures to straighten out the receipt situation, such as collecting for fiscal identification cards, banning public administration offices from providing services to taxpayers who have eluded the internal revenue office, issuing notices to taxpayers who have not yet paid their taxes, reinforcing the structures of the fiscal administration offices, and so on.

The Ministry of Economy and Finance appeals to the public spiritedness of all Haitians to respect their obligations to the internal revenue office. It takes this opportunity to appeal to the good faith of all so a lasting solution can be found to this crisis that has lasted too long.

St. Kitts and Nevis

Simmonds: Phone System Tap Threatens National Security

FL2211193593 Bridgetown CANA in English 1901 GMT 22 Nov 93

[Text] Basseterre, St. Kitts, 22 Nov, CANA—St. Kitts and Nevis Prime Minister Dr Kennedy Simmonds, in a nationwide address Sunday, said the country's security was under threat from external sources. Simmonds, in what he called an address of "urgent national importance," said local agents representing a ruthless external network had infiltrated the telephone system in St. Kitts and Nevis. He said this group had acquired, "surreptious and illegal recording devices" which were being used to bug the phones of people in authority including government ministers, members of the judiciary, police and clergy.

Simmonds said this secret recording of private conversations was a "shocking violation" of the country's Constitution which guarantees the fundamental rights and freedom of citizens.

He added wiretapping of telephones and the illegal recording of conversations were also designed to give the group advanced warning of police raids and other major plans by cooperating agencies, in drug interdiction.

The prime minister said the recorded material had the potential to neutralise, immobilise and silence persons actively engaged in government's ongoing battle against drug traffickers and other interests. He said the group also wanted to compromise persons and organisations which might be in a position to use their influence in the society's struggle to protect the nation, "particularly our young people and especially teenaged girls."

With elections here taking place on November 29, Simmonds said: "What is quite reprehensible is the attempt by one of the parties contesting the poll to use a number of the illegal recordings in the election campaign."

He said one of the tapes was reported to contain an intimate conversation between a government minister and another female.

But the prime minister said he would do all that was competent within his office to ensure that in accordance with the Constitution fair elections, "free from fear," will take place.

In this context, he said he had set in motion procedures and processes to protect the sovereignty of the nation. "A number of measures which will give our country access to security support from friendly nations in order to ensure there is no disruption in the election or any disruption by the perpetrators of the wholesale illegal telephone tapping" is in place, he said.

He added the development of this "most serious matter," is one of the consequencies of his government's new antidrug legislation.

He gave the country the assurance that action had been taken and St. Kitts and Nevis would be protected by a security umbrella of a magnitude adequate to defeat the designs of the international network, which was attempting "to achieve its nefarious objectives through its agent here."

St. Lucia

Compton To Order Public Corruption Investigation

FL2211190693 Bridgetown CANA in English 1758 GMT 22 Nov 93

[Text] Castries, St. Lucia, 22 Nov, CANA—Prime Minister John Compton says the Cabinet will be asked to order an investigation into recent newspaper allegations of corruption in the public service. Compton made the promise in a letter to the National Workers Union, (NWU) in response to one he received from the organisation calling for an investigation. Two other unions, the Civil Service Association (CSA) and the St. Lucia Teachers' Union (SLTU), have written the prime minister seeking similar action.

In recent weeks, the claims of public service corruption have been rampant in sections of the media, which, along with church officials and representatives of trade unions, the parliamentary opposition and the St. Lucia Chamber of Commerce have called for an official investigation. The permanent secretary in the Ministry of Planning, Ausbert d'Auvergne, has filed a libel suit in the high court against the weekly "CRUSADE" newspaper over the allegations.

Compton told the NWU government's policy was that it would, "not in any way countenance any conduct by any public officer which tends to undermine the integrity of the public services". It was also the administration's policy, he added, to, "investigate any charges which identify any public officer with conduct unbecoming of his or her role in the government organisation".

"To this end, the Cabinet will be asked to cause an investigation into the type of conduct or actions which have given you cause for concern," Compton told NWU President General Tyronne Maynard, who is also a member of the St. Lucia Senate. But the prime minister advised the trade unionist to be "specific in identifying the offender and the offence, and to substantiate these with evidence which can prove the basis for an official inquiry". Compton said that no one should be given "a roving commission" in this matter as the constitutional and other rights of persons may be infringed.

'Deepening Relations' With Gran Canaria Viewed

FL2211190193 Bridgetown CANA in English 1522 GMT 22 Nov 93

[Text] Las Palmas, Gran Canaria, 22 Nov, CANA—St. Lucia's Tourism Minister Romanus Lansiquot says he is looking forward to deepening relations with Gran Canaria in tourism and other related areas.

Lansiquot met here Friday with the president of the Gran Canaria Island Council Pedro Lezcano Montalvo to discuss ways of strenghtening relations between the two countries. "It is expected that an exchange between Las Palmas, Gran Canaria and St. Lucia in the field of tourism and related issues will be initiated," Lansiquot told CANA. The tourism minister toured Gran Canaria's Hotel Training School and met management, staff, and students. He said he was impressed with what he had seen. "It has been agreed that St. Lucians will be invited to visit Las Palmas to undergo training, and the same will apply to them," the tourism minister said.

His visit to Las Palmas was aimed at promoting St. Lucia as a tourist destination and to officially start the 1993 Atlantic Rally for Cruisers (ARC) Sunday morning. "All of these initiatives will support St. Lucia being able to tap on new resources we have now discovered here," said the minister.

Trinidad and Tobago

Legislators Arrested for Protesting Lack of Flood Aid

FL2311004593 Bridgetown CANA in English 2234 GMT 22 Nov 93

[Text] Port-of-Spain, Trinidad, 22 Nov, CANA—A female opposition parliamentarian in Trinidad and Tobago who refused to sign a bond for her release from police custody, was transferred to a women's prison Monday.

Head of the Public Affairs Unit, Assistant Superintendent Winston Cooper, told CANA Hulsie Bhaggan, the United National Congress (UNC) parliamentarian, was being held at the women's section of the Golden Grove Prison. She and another UNC parliamentarian, Zkris Jurai, were arrested earlier this morning for obstructing travel on the Uriah Butler Highway.

The two parliamentarians, along with scores of villagers, were at the highway protesting the effects of severe flooding at the weekend in central Trinidad districts. More than 10,000 people were reportedly marooned in their homes throughout the weekend as a result of overflowing rivers. A police report said the two parliamentarians were warned about their actions, but did not pay heed and were arrested and charged. The MP's appeared before Chaguanas Magistrate Trevor Peters and were granted TT 1,000 dollars each in bail. Jurai accepted her bond and was subsequently released.

Parliamentary opposition representative Raymond Pallack Dharry Singh told the House of Representatives Monday afternoon the floods situation was "a matter of urgent public importance." He told the speaker of the House Occah Seapaul: "It is urgent because people are enduring tremendous hardship, because of the lack of mobility, lack of communication, sanitation, and basic facilities. It is of public importance because this incident comes in the wake of similar flooding episodes in South Trinidad, Port-of-Spain and its environs, and central Trinidad. This incident raises the question of health, safety, and security of adults and children... How many more must drown, how many more must become sick, how many more must die, how many more must be arrested?"

The speaker said she considered the issue to be of national importance and ordered debate for later in the evening.

Mexican Senate Approves NAFTA After Debate

PA2311050693 Madrid EFE in Spanish 0451 GMT 23 Nov 93

[Text] Mexico City, 22 Nov (EFE)—The Mexican Senate today, Monday, approved NAFTA, after three days of debate, a spokesperson for the house has reported. With the approval of the Mexican Senate, it is anticipated that NAFTA will be implemented this coming January, after the presidents of the United States, Canada, and Mexico ratify it.

NAFTA Seen Forcing Caricom To Develop Plan

FL2211185893 Bridgetown CANA in English 1513 GMT 22 Nov 93

[Text] Kingstown, St. Vincent, 22 Nov, CANA—St. Vincent and the Grenadines' Prime Minister James Mitchell says because of the passage of the North American Free Trade Agreement (NAFTA), Caribbean Community (Caricom) countries will now have to fashion a strategic plan for economic development.

"We will have to have a strategic plan developed in the Caribbean for our own economic growth.

"Of course, if there is growth and there is improvement in tourism (as a result of NAFTA), that will also mean some benefit for us but it is something to which we'll have to pay very careful attention to," Mitchell said here Friday.

The prime minister said the region would need to capitalise on niche or specialised areas where it could successfully compete.

"We'll have to look for areas in which we might get some growth for example, information technology, because the Spanish people don't know very much about English and communication will be a bit difficult for them," Mitchell said.

NAFTA was passed in the U.S. Congress Wednesday, linking the economies of the United States, Canada and Mexico in a free trade pact.

Panamanian Minister: NAFTA 'Open Window'

PA2011152593 Panama City LA PRENSA in Spanish 20 Nov 93 p 4

[Report by Ibeth Vega G.]

[Text] Foreign Minister Raul Mulino said yesterday that the Panamanian Government views the North American Free Trade Agreement (NAFTA) among the United States, Canada, and Mexico as an "open window" to the first world and trade expansion.

Mulino added that NAFTA, which was signed by Canada, the United States, and Mexico, is an invitation to Central American countries to integrate as they will be obliged to "enlarge" their economies by expanding their markets.

The foreign minister said Panama must expand its markets, as a country or bloc, to introduce its products to the North American market.

When asked about the possibility of negotiating Panama's participation in NAFTA, Mulino said: "This is a very complex treaty. To be able to participate in NAFTA, our economy would have to undergo very profound structural adjustments which Panama, for obvious reasons, has not yet made."

He insisted that to participate in agreements or treaties of this nature "the countries involved must be prepared to take this important step, which must be favorable to industry and commerce without harming national interests."

Mulino said that for those reasons, Panama is not yet ready to sit down at a negotiating table and participate in NAFTA. Nevertheless, "I am certain that having access to that market as a bloc is an option that Central American presidents will propose and begin to negotiate."

Meanwhile, Luis Barraza de Freitas, president of the Association of Panamanian Industrialists (SIP), said that Panama must act very carefully once it decides to participate in NAFTA or any other bilateral commercial treaty, but he did not elaborate.

Menem: NAFTA To Have Impact on Latin America

PY2011003093 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2338 GMT 19 Nov 93

[Text] Buenos Aires, 19 Nov (NA)—President Carlos Menem said today: "NAFTA will have a great impact on the Latin American community because it is a large market with which the Southern Cone countries will be able to trade freely in accordance with the progress of our bilateral negotiations."

Menem said the government will hold talks "based on the invitation and declarations made by the presidents of the United States and Mexico and of the Canadian prime minister about the possibility of Chile, Venezuela, and Argentina—as a link for the other Mercosur [Common Market of the South] countries—joining NAFTA."

Menem also said that "without affecting" trade relations with NAFTA, progress will be made "in the established schedule to put Mercosur into operation."

In this regard, Menem said Mercosur "is a different process than NAFTA, which is a free trade zone while Mercosur is an integration process similar to the one in Europe" such as the EC.

Menem added: "If by 31 December 1994 no result is achieved in this process of integration with Uruguay, Brazil, and Paraguay, we will try to make it into a free trade zone to continue making progress toward the objective of economic and political integration."

Regarding the possibility of Argentine joining NAFTA, Menem pointed out that "positive results will not be obtained before 1995."

Di Tella on Future Prospects

PY2011231393 Buenos Aires CLARIN in Spanish 19 Nov 93 p 22

[Article by Eleonora Gosman]

[Text] Argentina has not been invited to NAFTA's banquet even though President Bill Clinton and U.S. Ambassador to Argentina James Cheek had hinted that they were going to do so. This is the reason why this North American bloc still is a political rather than a practical term of reference for Buenos Aires and its Mercosur [Common Market of the South] allies. Foreign Minister Guido Di Tella on 18 November said: "We are well aware that it is quite difficult for them to open a window to us the day after tomorrow."

The government opted for keeping its distance on the issue. Argentina will negotiate a "possible" membership in NAFTA together with the other three Mercosur members. And not before two or three years have elapsed.

Jorge Campbell (an economist and adviser) stated that a scenario in which Latin America integration is more consolidated "will benefit us all. But that is the finish of the race. The problem lies in how to get there. The path for Argentina now is Mercosur."

Beatriz Nofal, former Trade Ministry official (who worked with Mercosur in its beginning) pointed out two aspects: "NAFTA is favorable for Argentina from the macroeconomic point of view. It will ensure that capital continues to enter Mexico and Latin America. If this net income stops, we will face situations similar to those of the 1980s, which would seriously harm the Convertibility Plan."

From the "microeconomic point of view, the situation is different: The possibility will have to be carefully examined because there is a list of products that we export to the United States that will have to compete with the Mexican ones. Mexico will now have more advantages as a result of the reduction of customs fees within the framework of NAFTA." A partial list includes: machinery and vehicle spare parts, vehicle engines, wood furniture, gasoline, and oil.

The private sector immediately made its calculations. Businessmen want to know how much NAFTA will affect foreign trade and Argentine investments. Jorge Campbell says the world is discussing the meaning of NAFTA, GATT, and Mercosur. The discussions "show that the nations are experimenting with new strategies to face changes in international trade standards."

When GATT was created, the exchange of assets was finite and measurable. Currently something more complicated, such as the services and technology contained in a product, must be measured. "An exported apple, for example, has almost no value if compared to the value of its marketing, packing, etc... GATT must find new solutions to these problems. This is the issue under discussion. Therefore, the export tariffs have lost their relative importance."

CLARIN asked Campbell: Can NAFTA and especially Mexico absorb all the investment meant for the rest of Latin America?

He answered: Scarcity or abundance of investments is linked to how attractive the profit they yield is. If this is ensured, numerous people will invest in NAFTA and Mercosur. What really matters is that our common market attracts investment through profitable projects.

[CLARIN] It has been noticed, however, that U.S. investment in Brazil and Argentina grew very little compared with investment in Mexico.

[Campbell] The investment process in Mexico—in Monterrey, for example—preceded NAFTA. Anyhow, NAFTA makes official an already existing reality. Lack of investment in Brazil (less than 14 percent of the GDP, which is small by international standards) is linked to the path being trod by the Brazilian economy. In addition, as a result of its vast common border, Mexico would attract U.S. investors even without NAFTA.

[CLARIN] Won't companies be more interested in increasing their productivity within NAFTA's framework than within other trade blocs?

[Campbell] This is not the way the investment process is decided upon. The "global traders" [two preceding words in English] are a consequence of the new international paradigm. "Global traders" [two preceding words in English] are companies that make strategic alliances; they do not purchase other companies. Car manufacturing companies are an example of that: They are all linked to each other, and they operate worldwide. The trade blocs or common integration areas are also an answer to the strategies of the "global traders" [two preceding words in English]. The question to be answered is whether NAFTA is a better framework than Mercosur. Previously, investments were made on raw material. Now they seek a better framework.

[CLARIN] What will happen to Argentina with regard to grains trade?

[Campbell] It is true that we tried to gain a permanent market in Mexico for our sunflower, beans, and other grains exports. Mexico, however, has purchased these grains—and will continue to do so—from the United States. In this field we may have a problem, but this is

not a new one because the United States has been methodically selling them subsidized products.

[CLARIN] What about our sales to the United States?

[Campbell] There is no reason why Argentine competitiveness should be affected. First, because NAFTA still requires internal negotiations. Second, the level of our exports to the United States is so low that even if we multiply them by four, no one will feel hurt.

Brazilian Finance Ministry Evaluates Effects

PY2211180093 Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Nov 93 Section 2 p 3

[Text] Brasilia—The approval of the North American Free Trade Agreement (NAFTA) should not affect Mercosur [Common Market of the South] prospects. This conclusion was reached by the Finance Ministry technical team, which expects no short-term practical repercussions for the foreign trade of Brazil, Uruguay, Argentina, and Paraguay.

Despite Argentine entrepreneurs' willingness to postpone for three years the implementation of Mercosur, which is scheduled to begin operating in January 1995, economic team members do not believe that Argentina would prefer to join NAFTA. Integration with neighboring countries is closer than NAFTA, they said.

Itamaraty regarded the approval of NAFTA with optimism. Foreign Minister Celso Amorim yesterday said that "the Brazilian Government views with satisfaction the creation of NAFTA, because it marks the commercial liberalization of North America." Another positive consequence, according to the foreign minister, is the effect on the ongoing negotiations at the Uruguay round of GATT (General Agreement on Trade and Tariffs) talks, which the Brazilian Government strongly wants to conclude on the scheduled date, 15 December.

The conlcusion of the Uruguay round of talks is expected to reduce commercial restrictions like surcharges, which the U.S. Government has imposed on Brazilian exports.

NAFTA could have isolated effects on some South American countries. In the case of Brazil, car parts, textiles, and shoes could be affected.

Editorial: 'Defeat for Protectionism'

PY2011190293 Rio de Janeiro O GLOBO in Portuguese 19 Nov 93 p 6

[Editorial: "A Defeat for Protectionism"]

[Text] Brazil would have certainly had more to fear if NAFTA (North American Free Trade Agreement) had been rejected—instead of being approved by an absolute majority—by the U.S. House of Representatives. NAFTA's rejection would have entailed the strengthening of protectionist sectors within the United States. This would have ended up indirectly affecting Brazilian exports. The treaty's approval meant a victory for commercial opening, the integration of markets, and interregional development.

It is true that President Clinton had to make some concessions that can, in the short term, harm Brazilian exports to the United States. But time will make all barriers unsustainable: The sole existence of NAFTA will provoke their disappearance.

NAFTA will tend to expand its borders, as Mexico—the less developed partner—begins to show the expected reaction. Thereafter, the first countries to benefit from it should be those living the experience of economic integration. They are Brazil, Argentina, Paraguay, and Uruguay—the partners in Mercosur [Common Market of the South], which will come to life in 1995.

The possibility for Mexico to replace Brazilian exports in the U.S. market is remote. Approximately 80 percent of Mexico's current exchange is made with the United States. Texas is much more strongly dependent on northern Mexico than vice versa, despite the fact that a significant portion of Mexican exports goes through the Texan port of Houston because of Mexico's precarious port facilities.

NAFTA aims at accelerating the natural integration of the economies of North America by creating new areas, instead of overlapping existing ones. For the United States it is important that Mexico can more rapidly achieve development, if just to reduce the migration pressure. There are about 10 million Mexicans living in U.S. territory. In theory, there are 88 million possible immigrants.

The assembly industries deployed along the U.S.-Mexican border, which is 3,500 km long, have significantly contributed to stemming the migration flow. Almost 2 million workers from central and southern Mexico (in addition to Central American nationals, who also pressure the migration flow) have stopped being potential immigrants. They are unskilled workers who initially earned a minimum salary, and who now are earning an average of two salaries, plus indirect benefits like health insurance.

In reducing the Mexican migration pressure on the United States, the investment generated by NAFTA will have immediate positive effects on the U.S. labor market. Contrary to what the treaty critics have said, NAFTA will certainly not constrain this market. Actually, it is China and some southeastern Asian countries that should be concerned about NAFTA because they are now the best alternative for U.S. investment looking for cheap labor. Mexico will probably absorb a considerable portion of such investment (which will by no means be made in the United States) because at least it offers the advantage of being the investor's next-door neighbor.

At a second stage, when it reaches a specific level of development, Mexico can become a large market—it has 88 million people, most of whom are not consumers. The

expansion of the consumers' market will benefit not only Mexico, the United States, and Canada, but also the other partners of the hemisphere that are trying to promote exchange with those countries.

Therefore, NAFTA's approval should be a reason for satisfaction for countries like Brazil, which practice a policy of commercial opening and regional economic integration.

Chilean Foreign Minister Says Chile Next

PY1911185093 Santiago Radio Cooperativa Network in Spanish 1000 GMT 19 Nov 93

[Text] Foreign Minister Enrique Silva Cimma stated that his American counterpart, U.S. Secretary of State Warren Christopher, confirmed that Chile will be the next country to join the North America Free Trade Agreement. He said:

[Begin recording] The U.S. secretary of state, Mr. Christopher, stated that with Mexico having joined NAFTA, or rather, now that NAFTA has been ratified, by virtue of which Mexico and Canada have agreed to a free trade agreement with the United States, he explicitly said: Now it is Chile's turn. This means that, within a period of time deemed advisable—which will of course depend on how things turn out—negotiations will start so Chile can join NAFTA. [end recording]

Venezuelan Minister Calls Approval Political Victory

PA1911201093 Caracas Venezolana de Television Network in Spanish 1600 GMT 19 Nov 93

[From "The News" newscast]

[Text] Foreign Minister Fernando Ochoa Antich called the approval of the North American Free Trade Agreement among the United States, Canada, and Mexico a political victory for the Clinton administration. The foreign minister made the statement upon leaving a breakfast conference with Ecuadoran Foreign Minister Diego Paredes, who is on an official visit in our country. Ochoa Antich said NAFTA includes a clause by which Latin American nations may ask to participate in this free trade relationship. The foreign minister believes the agreement will thus allow the beginning of a new economic phase and promote development in difficult areas such as agriculture and production of nontraditional export items.

Andean Group Satisfied With NAFTA Approval

PA2011033393 Madrid EFE in Spanish 0210 GMT 20 Nov 93

[Text] Lima, 19 Nov (EFE)—Jose Rafael Serrano, a member of the Cartagena Agreement Board of the Andean Group, reported in Lima today that the board has received "with satisfaction" the approval of NAFTA by the U.S. House of Representatives.

The official said that the agreement between Canada, the United States, and Mexico, which includes a clause whereby Andean countries—Bolivia, Colombia, Ecuador, Peru, and Venezuela—can join, "can become the appropriate and expeditious instrument for the creation of a free trade zone in the hemisphere." Serrano said that NAFTA's ratification is an important step in consolidating international free trade as the trend that should prevail in world trade relations.

In a Cartagena Agreement Board press release, Serrano added that NAFTA is a step forward in "overcoming the protectionism that still hampers healthy competition among countries." He also said that the creation of the "world's largest free trade zone" reinforces the validity of the concept of countries forming blocs "as the most evident expression of the operation of economic cooperation schemes." He added that NAFTA's ratification has occurred at a time when the Andean Group countries and Latin American economies show significant progress in attaining economic stability and growth in an opening model.

Finally, Serrano said that NAFTA's enactment on 1 January 1994 "represents a new opportunity for Latin America and that NAFTA's results in favor of Latin America will depend to a large extent on the involved countries' historic foresight to walk toward hemispheric integration."

German Editorial: Clearing Way for GATT

AU1911132293 Frankfurt/Main FRANKFURTER ALLGEMEINE in German 19 Nov 93 p 14

[Editorial signed "Nm.": "The NAFTA Signal"]

[Text] The acronym NAFTA stands for the economic project the North American Free Trade Agreement. But the decision in the House of Representatives is above all a political signal. A defeat would have meant that the President had become a "lame duck" a year following his election. Clinton has achieved a majority by tricks and ruses. This shows that there will continue to be a tough tug-of-war with Congress—on health reform, for instance, the centerpiece of Clinton's reform policy. The foreign policy signal is clearer. The United States will continue its course of opening world trade. NAFTA is of outstanding importance for South America. It will strengthen those politicians who have left the old tracks and have put their stakes on the market economy and democracy. For instance, Argentine President Carlos Menem, who stands a good chance of being re-elected, expects NAFTA to have an influence on the south and to be enlarged, sooner rather than later, so as to include Argentina and Chile. Finally, the road is now clear for the conclusion of the GATT Uruguay Round. In this respect, too, it is not only the economic sector that is at stake, but the future of the Western Alliance.

World Significance Viewed

AU1911095693 Berlin DIE WELT in German 19 Nov 93 p 1

[Commentary by Gerd Brueggemann: "NAFTA as a Signal"]

[Text] The significance of the vote of the U.S. House of Representatives on the North American Free Trade Agreement (NAFTA) goes far beyond the borders of the three participants, Mexico, Canada, and the United States. With their clear decision in favor of adopting the agreement, the representatives also came out in favor of free world trade and against the retreat behind protectionist walls that had been demanded by a strong opposition to preserve allegedly endangered jobs.

In fact, this century's history teaches us that the expansion of trade is the strongest engine of economic growth and thus of creating new employment opportunities. Relapses into national or regional protectionism, on the other hand, are always a sign of economic decline. U.S. President Bill Clinton, for whom the result of the vote is a personal triumph, stated that the decision in favor of NAFTA contributes to "ensuring U.S. leadership in the international economy." Clinton will soon have the opportunity to prove this leadership.

The Uruguay round of the GATT, whose successful conclusion would be the best stimulating program for the limping international economy, is in its final stage. It is to be hoped that the new determination of the United States will also be reflected in the GATT negotiations and will contribute to making all the leopards involved change their spots of alleged national interests.

Norwegian Minister Sees Better GATT Prospects

PM2211172093 Oslo AFTENPOSTEN in Norwegian 19 Nov 93 p 7

[Oslo NORSK TELEGRAMBYRA report: "Norwegian Faith in GATT Solution"]

[Text] There is a good chance of agreement on new GATT rules for world trade before the 15 December deadline now that the United States has approved the NAFTA agreement. A breakthrough in GATT will put Norwegian agriculture in a new position and expose it to greater competition, Agriculture Minister Gunhild Oyangen said.

But at the same time a GATT agreement will give Norwegian agriculture protection against imports based on internationally recognized rules and our support subsidies for agriculture will also be based on an international system of regulations.

"For us it is of great importance to achieve solid protection against imports, which the United States and other countries cannot come along and challenge. We have felt this problem acutely through the so-called Apple War with the United States which resulted in a solution which was not beneficial to us," Oyangen said.

According to the agriculture minister, a GATT agreement will make it even more important for Norwegian authorities to achieve success in the work already under way to reduce the costs of agriculture and make it more competitive.

"No one must allow himself to be misled into thinking that Norwegian agriculture can continue as before. We have to go through the development toward a lower level of subsidy and lower prices for foodstuffs, regardless of whether or not we become members of the EC. Norwegian farmers must learn how to compete," she said.

Oyangen takes the view that a GATT agreement could make easier the agricultural section of the membership negotiations with the EC. We would have the same system of protection against imports as the EC.

Editorial: Victory for Clinton

PM2211165893 Oslo AFTENPOSTEN in Norwegian 20 Nov 93 p 8

[Editorial: "A Partial Victory for Free Trade"]

[Text] The clear "yes" from the United States to a huge new free trade area in North America—NAFTA—is a powerful kick in the the teeth for all those who seek prosperity in isolation by shutting others out of their markets. We can find such people throughout the world: among U.S. trade unionists, among French farmers, in the innermost corridors of Norwegian organizations for agricultural cooperation, among the many short-sighted opponents of free trade and common markets. When times are bad and jobs are a major concern, such protectionists and isolations are given new grist to their mills. There have been major fears that they, given the economic setbacks, would succeed in delivering a blow to the international trade of the postwar period. They have been unable to do so—in the present round at least.

President Bill Clinton has brought home his most important political victory hitherto. If everything goes as he has predicted, free trade between Canada, the United States, and Mexico will give the whole of North America a powerful economic boost. Today the Canadians are already by far the most important trading partners of the United States, while Mexico is in a solid third place after Japan. Only then comes China and the larger countries of the EC. Our hope must be that NAFTA is the first step along the road toward a coordinated expansion of international trade, toward creating new growth, greater optimism, and a reduction in the millions of unemployed.

But the decision in Washington is only a partial victory for the philosophy of and the results expected from free trade. A worldwide GATT agreement is needed to secure the profits which will result for almost everyone from a freer exchange of goods and services. The deadline for

agreement is 15 December. It is by no means certain that the NAFTA vote will make it easier to reach agreement in GATT, where European—especially French—and American agricultural interests are in frontal collision. Free trade could still suffer a defeat in which the benefits the many would enjoy in the longer term are sacrificed for the gains to be won here and now by narrow interests. Both the EC and the United States should today contribute to a compromise to dispel the uncertainty and create the confidence which leads to investment and jobs. And Paris must bear in mind that excessive refractoriness could break open EC cooperation.

For us here in Norway NAFTA gives cause for reflection. Here we see again how regional common markets are coming into existence where once the nation state alone drew economic boundaries. In Asia similar free trade areas are in the process of emerging. It is a sign of the times that from his NAFTA victory President Clinton went straight to Seattle to meet with Asia's most important leaders and discuss trade in the great Pacific region. In Europe we have the EC as the center for and the organizer of a free trade area which is already well established, and an example to others. When Norway seeks integration into the EC, we are part of an international development toward larger trading areas—and we demonstrate a desire to be involved in giving political governance to such an economic region. This is what the political side of our possible future EC membership is about.

We cannot avoid the changes in the world simply by saying "no." For, regardless of the EC, a GATT breakthrough will also "put Norwegian agriculture in a new situation and expose it to greater competition," as Agriculture Minister Gunhild Oyangen has put it. NAFTA tells us that we have to belong somewhere. And that place is the EC.

Barcelona Editorial: Approval Good News

PM2211170093 Barcelona LA VANGUARDIA in Spanish 19 Nov 93 p 20

[Editorial: "Rejection of Protectionism"]

[Text] President Bill Clinton has achieved a great political victory with the ratification by the House of Representatives of the North American Free Trade Agreement with Canada and Mexico. In this way, Clinton could not have celebrated better the first anniversary of his election victory. The Democratic President, criticized for his vagueness both in domestic policy and on the foreign front, needed a victory like the one now achieved. However, the significance of the agreement's ratification, although important for Clinton, greatly transcends the U.S. domestic confines. In fact, in times of crisis like the present, it represents good news for free trade and a defeat for protectionism.

The Congress vote (234 votes against 200) had surprising aspects, such as the fact that it was the Republicans who, virtually en bloc, decided the agreement's fate; not the Democrats—the President's party—whose representatives finally echoed the trade unionists' fear of losing jobs for Mexico's benefit. On the other hand, it is not surprising, although it may seem so, that the European Union has given the ratification of the agreement between the United States, Canada, and Mexico a cordial reception.

It is true that the agreement's entry into force on 1 January will make the three North American countries the world's leading trade bloc, overtaking the European Union. The two blocs are different: The North American bloc is designed simply as a vast free trade area, while the European bloc aims for its economic union to be accompanied by political integration. But they are two competing blocs. However, as Clinton himself has stated, the most important thing for North Americans and Europeans is that the House of Representatives vote was cast for opening the doors to trade, not closing them, which would have been a worrying inconsistency on the part of the country championing the free trade which has underpinned much of the prosperity which the Western world has known since World War II. So what remains to be seen now is whether the renewed U.S. commitment to opening up trade will strengthen the prospects of the GATT Uruguay Round—which currently has the United States at odds with Europe—and will lead to another success.

The GATT Uruguay Round of multilateral negotiations, still bogged down in some of its 15 chapters, has until 15 December to complete the round begun in 1986, and for the present the European representatives have received the House of Representatives vote as a good sign. For GATT Director General Peter Sutherland, the agreement's ratification is a victory for liberalization over protectionism.

However, NAFTA's ratification is not this week's only good news for free trade. The holding of a summit of 15 Asian and Pacific countries in Seattle (United States) represents another step forward in the liberalization of markets. The good omens should be borne out by events, but for the present it is a hopeful sign when the protectionism which would only exacerbate the situation, as happened in the twenties and thirties, seems to be retreating in mid recession.

Stockholm Daily Views U.S. Vote

PM2211190093 Stockholm SVENSKA DAGBLADET in Swedish 19 Nov 93 p 2

[Editorial: "Victory With Symbolic Value"]

[Text] There was a great deal at stake when the U.S. House of Representatives voted on Wednesday night on the North American Free Trade Agreement, NAFTA. There are even good reasons for asserting that we Swedes were also affected, despite the fact that NAFTA is an agreement between the United States, Canada, and Mexico.

However, the vote was more crucial for President Bill Clinton on the one hand and Mexico on the other.

Even though Bill Clinton became known during his election campaign as an opponent of NAFTA, he has as President staked much prestige on pushing the agreement through. With the support of all the former U.S. presidents still alive, Clinton has devoted much work and effort to persuading recalcitrant congressmen—primarily from his own Democratic Party—that NAFTA is a good deal for Americans.

For a while, it looked as if he would fail. The NAFTA critics in Congress have had strong backing from an unholy alliance of everything from trade unions to the populist right—an alliance that has been led chiefly by former presidential candidate Ross Perot.

But after a televised debate last week in which Perot found himself the clear underdog when facing Vice President Al Gore the mood changed. And even though the outcome of the vote remained uncertain to the very end, the majority in the House of Representatives for NAFTA was larger than expected: 234 "yes" votes versus against 200 "noes."

As a result President Clinton was spared a humiliating reverse which would probably have seriously damaged his authority both in the United States and in the rest of the world.

The real winner, however, is Mexico. Of course Americans and Canadians will benefit from NAFTA. But for the poor Mexicans it means so much more in relative terms that they are entering into the world's largest free trade area embracing 360 million inhabitants. A U.S. "no" to NAFTA would have also run the risk of undermining the comprehensive and successful reform work that has been pursued in Mexico since the mid-eighties.

And hopefully NAFTA will become a positive symbol not only for other Latin American countries, but also for the earth's poor countries in general. The special thing about NAFTA is precisely Mexico's involvement—that is, that a developing nation is entering into a far-reaching free trade agreement with two industrialized nations.

As NAFTA gradually begins to pay dividends—the effects will show themselves step by step since the agreement only comes into force in full in 15 years' time—and as prosperity in Mexico begins to approach that of its northern neighbors, the world will see yet another example of how development is achieved through cooperation and trade, and not through isolation and aid.

A more obvious and much more rapid result for the rest of the world—and for Sweden—of the U.S. House of Representatives' "yes" could come within a few weeks.

The international trade negotiations—the so-called Uruguay Round—within the framework of GATT must be completed before 15 December. It is unclear whether this will be possible. Many problems remain, and France's continued refusal to approve proposals for reductions in agricultural subsidies remains the biggest obstacle to progress.

Even though there is no direct link between NAFTA and GATT, a "no" to NAFTA would have probably led to an already difficult situation in the GATT negotiations becoming even more difficult, if not impossible. If NAFTA had been rejected this would have been grist to the mills of protectionists, not only in the United States but also in Europe.

It is now possible to hope instead that the go-ahead for NAFTA has created a momentum for free trade which will also have an effect on GATT. Commenting on the decision by the U.S. Congress, GATT chairman Peter Sutherland claimed that the prospects for a new GATT agreement had "increased significantly."

For Sweden's part, it would be unfortunate if NAFTA were to become a reality while GATT comes to a standstill. There is a risk that a NAFTA without GATT—like an EC without GATT—would be turned into a weapon in a global trade war, that NAFTA and the EC would be used to build walls against the rest of the world instead of facilitating trade among the countries involved.

London Daily Says GATT Deal 'More Likely'

PM1911110693 London DAILY EXPRESS in English 19 Nov 93 p 8

[Editorial: "Clinton's Triumph"]

[Text] President Clinton's success in securing Congressional approval for the North American Free Trade Agreement makes the world a safer place for free trade. At least for the moment.

Not every free-trader conversant with the small print believes the agreement entirely lives up to its claims. But imperfect though it might be, there is no doubt that its defeat would have signalled a dangerous American retreat into protectionism. It was just such a retreat, according to many economists, that was the main cause of the Great Slump of the 'thirties.

Defeat would have dealt the GATT negotiations a possibly killing blow. In the event, the prospects on that front should now be enhanced.

At the same time, NAFTA is a warning to the European Union, whose efforts to abide by the free-trade ideals of its founders are being frustrated by some of its members. Notably France. Eurosclerosis—Europe's widely-perceived economic rigidity resulting from over- regulation, over-taxation, and over-centralization—will put us at a further disadvantage vis-a-vis the NAFTA area.

Paradoxically, the advent of NAFTA also increases the potential damage that would follow failure to conclude a GATT deal. In the absence of a global commitment to free trade, the European Union, the NAFTA signatories.

and the Pacific Basin economies of the Far East, could turn overnight into inward-looking and warring blocs.

The consequences would be catastrophic: We could indeed be in for a replay of the Great Slump.

But today it is the Great Bonanza that is on offer, the massive boost to world trade resulting from a GATT deal. President Clinton's success over NAFTA has made that deal more likely. The present and coming generations would never forgive those who let this prize slip from our grasp.

Moscow Daily Views U.S. Ratification

PM1911143993 Moscow IZVESTIYA in Russian 19 Nov 93 First Edition pp 1, 3

[Article by Vladimir Nadein: "U.S. Congress Ratifies Treaty Changing Face of Continent. World's Largest Market Formed"]

[Text] Washington—U.S. President William Clinton has won his latest major victory in domestic policy which is dear to his heart, even though it was a question of the ratification of the international NAFTA treaty. By 234 votes to 200 the Congress House of Representatives ratified the agreement on the North American Free Trade zone, which includes Canada and Mexico in addition to the United States.

The name of President Clinton is not formally associated with this treaty. At the time it was signed Clinton was still governor of Arkansas. But then came the legislators' turn. Of course, people on Capitol Hill, like their other parliamentary colleagues, can formally rubber-stamp any decision. But NAFTA is a different kettle of fish. As of 1 January next year when the treaty comes into force NAFTA will directly affect the lives of millions of Americans. And it does not end there.

Of those who signed it only Mexican President Salinas de Gortari has kept his post. The other two leaders, U.S. President Bush and Canadian Prime Minister Mulroney, have added the sad prefix "ex" to their lofty titles. But President Clinton fought so vigorously, tirelessly, and resourcefully for the treaty, which his predecessor and rival signed, that even George Bush could hardly fault the work that he has done.

However, the ratification of NAFTA by both houses of Congress remained cause for particular alarm for the president right up to the last day. It was only the public television debate involving Ross Perot and Vice President Al Gore that enabled the administration to draw breath for a moment.

Ross Perot is the billionaire who polled several million votes in the last presidential elections, a talker and tireless debater, and earned from former president J. Carter the lable of demagogue. And he mustered all his stock of knowledge, wrath, colored illustrations, and sarcasm, against the vice president—and was trounced in front of the whole nation.

The Canadian parliament ratified the treaty back in June. The new Liberal majority, which literally pulverized the ruling Conservative Party in the recent elections, has not hitherto reaffirmed its previous threats to "review certain provisions" of NAFTA. The first morning after the victory Clinton telephoned the new Canadian Premier Jean Chretien and congratulated him on his victory and said something else, after which the victor did not say another word about NAFTA—as if he had totally lost interest in it.

Unlike the Canadians, Mexican legislators have not so far had their say. However, they are making no secret of the fact that their country will not hold things up. It was not for nothing that the Mexican Government allocated $30 million to lobbying for the treaty. The Mexicans are very hopeful that the way to a common market will be eased by foreign investment and the advantages afforded by a cheap work force.

And that is what is frightening the Americans. I do not think that the word "Canada" was heard at all during the 12-hour debate. The impression is that all the Americans' disquiet and suspicions were focused "down" south, on torrid Mexico.

The main objections voiced by NAFTA's opponents are to do with the fact that the cheapness of the Mexican work force, the primitive environmental protection, the low standard of living, and what the U.S. considers a far from perfect democracy will not boost Mexico, but cause a decline in U.S. standards. Americans' jobs will go south and capital will flow away in that direction.

But all the surviving U.S. ex-presidents (there are five of them), all the former secretaries of state, all the national security advisers, and a host of other senior officials say with one voice that NAFTA will benefit the entire continent, that is, the United States as well.

Although the majestic edifice of the world's most powerful economic community gleams at the end of the NAFTA road, it is envisaged that the unification of the three national economies will be slow and gradual, in short, there will be no surgery, just natural selection [selektsiya].

One Republican gave the following explanation Wednesday for the support that representatives from his party gave to the Democrat Clinton. He recalled the statement made by Franklin Roosevelt, who said that legislators have a duty to support a president when he is right and the responsibility to oppose him when he is mistaken. "The overwhelming majority of Republicans back President Clinton because he is right in this instance," this member of the House of Representatives said.

However, the greater proportion of those Democrats who refused the president their vote also attributed their

stance to the same principles articulated by F. Roosevelt. Fine as this quotation sounds, the fact remains that the Republicans have joined forces in support of Clinton, while the Democrats have split.

But victory was more important for Bill Clinton than intraparty accord. It was not for nothing that he switched the order of the treaty [as published—dogovor] on public health and NAFTA. As soon as it became clear that reform of public health would get bogged down in debate and that free North American trade was winning parliamentary support, the president changed the order of the moves overnight.

After the ballot President Clinton spoke on television. Addressing Americans from the White House, he said that this treaty is in U.S. interests and will make it possible to create more jobs and increase sales of U.S. automobiles and computers. "We have boldly chosen competition rather than retreat," the president said, after which he briefly mentioned the results of the two world wars. After World War I the United States created a protective trade barrier against the rest of the world "and the result was the great depression." After World War II the country opted for a totally different path, opening its borders to trade and reorganizing the economies of its recent enemies. The upshot was that U.S. workers became the most productive in the world.

Thursday morning the president is going to Seattle, where the leaders of the 15 leading countries in the Asian-Pacific region are to meet. Specialists believe that it is quite likely that the United States will effect a strategic shift away from a predominantly European orientation toward the "young tigers" of the East Asian economy.

Russia's representatives are not taking part in these talks.

Czech Commentary Sees 'Exceptional Importance'

AU2211161893 Prague HOSPODARSKE NOVINY in Czech 19 Nov 93 p 23

[Commentary by Kveta Buschova: "An Important Victory—Not Only for Bill Clinton"]

[Text] The unexpected approval of the North American Free Trade Agreement (NAFTA) in the House of Representatives of the U.S. Congress is of exceptional importance to President Bill Clinton. Despite the fact that he "inherited" this document from his republican predecessor George Bush—who signed it at the end of his presidential term in August 1992—Bill Clinton made the NAFTA treaty one of the three key points in his election campaign and his presidential career. This is why Clinton drew the attention of his cabinet, and all of America, to NAFTA—in addition to the budget deficit reduction and the reform of the U.S. health care system. Similarly to the pre-summer approval of the budget plan, the U.S. President has made no small effort and mobilized all his abilities and charm to "push" the agreement through the House of Representatives. This paid off. Even though NAFTA will have to pass through the Senate, it is not expected that Clinton will have any great problem. The majority of experts in the United States and in the world believe that the treaty has been effectively accepted.

The fight for the North American free trade area has brought new factors into U.S. policy. First, as the voting in the House of Representatives has shown (the Republicans decided in favor of the treaty, while the ruling Democrats "betrayed" Clinton), NAFTA has divided America irrespective of political affiliations. This will certainly become a precedent not only for the last of Clinton's domestic "super-projects"—the reform of the health care system—but also for the future U.S. policy (and not only Clinton's, apparently). The more so as the President had appealed to have party interest put aside before the vote, and made pledges and promises to Republicans—which secured success for him.

The fact that NAFTA, which is a purely economic issue, has been so strongly politicized is an important factor. Clinton and his team vigorously drew Americans' attention to the fact that not only was the American free trade area at stake, but also the so-called Uruguay Round on liberalization of world trade held under the auspices of GATT, and the trustworthiness and reliability of the United States.

In the end, everything was all right. Bill Clinton celebrated his second victory. This time, however, not only him. The ratification of NAFTA by the U.S. Congress opens the road to a successful conclusion of the Uruguay Round of the GATT talks, and it strengthens the position of all the opponents of protectionism in international trade. Above all, it shows that the United States, its legislative body, and the President are aware of the responsibility that they have as the main world power, and that they are capable of tackling difficult tasks.

Slovak Commentary Views Vote as Major Victory

AU2211174793 Bratislava PRAVDA in Slovak 19 Nov 93 p 12

[Commentary by Leopold Moravcik: "Clinton's Victory"]

[Text] Following tedious debates and frequently heated arguments, the U.S. House of Representatives approved the North American Free Trade Agreement (NAFTA) on Wednesday [17 November], thanks to which President Clinton can add a major political victory to his record. In the days before the vote, he devoted an extraordinary amount of time and energy to persuading hesitant congressmen, which helped him tip the, until then balanced, scales of views in his favor. For a President who, a year after the elections, has reached a record in terms of

unpopularity among the population, failure to push through the agreement would have been tantamount to a political catastrophe.

Even though the President has scored a major success, it has been accompanied by several paradoxes. First and foremost, Bill Clinton has been vehemently defending an agreement that was signed last August by his political adversary, George Bush. The second paradox is that NAFTA's opponents are an incoherent coalition made up of trade unions, Greenpeace, liberal black leaders, and the conservative right. The third paradox is the outcome of the vote itself. Of the 234 votes that determined the passage of the agreement, 132 came from Republicans and only 102 from Democrats. Hence, it was the opposition that joined the President and secured his victory.

The arguments of the multicolor coalition of the agreement's critics could also be heard in the debate in the House of Representatives. There was talk about the outflow of capital to Mexico with its cheaper labor and less stringent environmental regulations, about the decline of the U.S. economy, and about the threat to the country's security. In making promises, the President had to maneuver very skillfully to refute those doubts and to convince the most diverse groups with frequently conflicting interests about the benefits of the agreement, which will make the United States, Canada, and Mexico the world's largest free trade area. Also "pro-NAFTA" arguments could be heard during the debate in the House. NAFTA will come into effect on 1 January next year, thereby eliminating existing customs duties and other obstacles to the movement of capital, services, and goods. Mexico will open up its hitherto strictly protected market, which will allow many U.S. and Canadian firms to gain a foothold in one of the fastest growing states in the world. At the same time, the United States and Canada will find themselves under strong competitive pressure from cheaper Mexican textiles.

The agreement is somewhat cautious as far as agricultural products are concerned. Farmers will be given 15 years to adapt to the conditions of customs-free trade. (The United States' protection of its own interests, as reflected in the U.S. Administration's approach to farmers, could certainly also serve as an example for some countries in the heart of Europe.)

The world's assessment of the decision by the House of Representative is predominantly positive; it is viewed as a correct choice between the future and clinging to the past. It is also expected that NAFTA will have a positive influence on the GATT talks, which must be brought to a conclusion this year. The passage of the agreement puts, above all, President Clinton himself in an advantageous position, prior to the Asia-Pacific Economic Cooperation (APEC) summit, which opens in Seattle today. At the same time, the agreement can be expected to meet with some dissatisfaction in some Asian countries, such as Thailand, the Philippines, and South Korea. They are worried that NAFTA will limit their exports to North America and that some Mexican products will now become their competitors on the U.S. market. The Seattle Summit could become an opportunity for them to give full vent to their objections to the agreement.

Hong Kong Daily Reports on NAFTA's Impact

HK2211125893 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0910 GMT 21 Nov 93

["Roundup" by reporter Hong Wen (3126 2429)]

[Text] Hong Kong, 21 Nov (ZHONGGUO TONGXUN SHE)—A number of Hong Kong economists predict that the establishment of the North America Free Trade Area will not have a great impact on manufacturers in Hong Kong and Southeast Asia in the near future, but in the long run it means both challenges and opportunities; they believe that more manufacturers will move from Asia to Mexico for investment and development opportunities.

Financial and securities experts generally believe that the implementation of the North America Free Trade Agreement will mean no harm to manufacturing industries in Hong Kong, China, and Southeast Asia in the near future. Chim Pui-chung, member of the Legislative Council, says that the fact that the United States and Canada have joined forces with Mexico, a "poor relative," is indeed helpful to the three in supplementing each other's needs and seeking common development, but there are many difficult problems to be solved if the three countries are to remove all trade barriers. For example, if the United States shifts low-technology production to Mexico, it will certainly run into the problems such as layoffs, compensation, and objections from trade unions. In addition, whether the new administration in Canada can closely cooperate with the United States and take practical actions simultaneously remains to be seen. Concerning China, Hong Kong, and Southeast Asia, because Mexico has a lower technological level and poorer industrial base, it cannot become an actual competitor in the near future.

However, long-term development means coexistence of challenges and opportunities. Kwong Man-bin, Ng Yuk-yum Securities Company's senior analyst, thinks that manufacturers in China, Hong Kong, and Southeast Asia must face new competitors from Central and South America on the one hand—their middle-and low-grade products will be under a great deal of competitive pressure—and on the other hand, due to growing prosperity in Mexico, more trade opportunities may emerge. Fung Tung-chak, assistant director of the international affairs department of the Hong Kong General Chamber of Commerce, also believes that more manufacturers will move from Asia to Mexico to seek industrial investment opportunities. In addition, because NAFTA has been reached in the spirit of GATT, therefore, after passage it may become a good example for areas favoring opening, and this is helpful to promoting global free trade.

However, some experts have also pointed out that judged from the process of unification of the European Community, although it has been planned for years, not much process has been made so far; therefore, it is also predictable that the North America Free Trade Area will similarly face numerous difficulties.

At present, the United States, Canada, and Mexico are the major export markets for Hong Kong; among them the U.S. market accounts for 30 percent of Hong Kong's total export.

If NAFTA is passed by the legislatures of the three countries, it will closely tie together the 360 million consumers in the area, and create a huge market, which will become the most affluent and biggest trade group in the world.

The agreement has detailed discussions and suggestions on issues such as agriculture, car trade, banking, arbitration, energy, environmental protection, employment, copyrights, textile products, tariff, and cargo transportation. Some 10,000 products including textile products will have tariffs waived or reduced, and this will be implemented phase by phase.

Malaysian Daily Reviews U.S. Approval

BK2211105793 Kuala Lumpur NEW STRAITS TIMES in English 20 Nov 93 p 10

[Editorial: "NAFTA and the Rest of Us"]

[Text] NAFTA's passage on Thursday made waves because the United States' already preeminent position in the world economy has been muscled up into a near-continent-wide phalanx of trade armour. Just like the flurry of alliance-making that preceded the Second World War when the rollicking shifts in geopolitical ranks sent the European powers down the slippery slope to war, NAFTA could set the stage for a polarisation of the world's trading nations into walled-in redoubts teetering on the brink of an all-out trade war. That is everyone's, including the U.S.' worst nightmare, just as a repeat of the devastation of the First World War had been for the European statesmen of the 1930s. As in any design of strategic coalition building, its consequences depend on whether others see it as a threat, whether this is cultivated or unintentional, and whether there are unambiguous measures to remove such a perception.

Can NAFTA be dangled as a threat? On a crest of euphoria after its congressional victory, the Clinton Administration is lauding the consolidation of the North American market as the first drop to trade barriers falling domino-like across the globe. Although it is foisting NAFTA as the first of a "triple play" that includes APEC and is intended to culminate in GATT, the very ebullience of such a ploy will not fail to cock a snook at the Europeans. Since Europe is the only de-facto economic bloc, the Americans could carry their jubilation into a sore temptation to corral the rest of the world against it. The best thing would have been to get GATT concluded before setting out on other arrangements that improve on its terms. Now that it has gone the other way, the Americans could spark off the high-stakes brinkmanship that will inevitably usher in a feed frenzy of exclusionary bloc-building.

The immediate worry for developing exporting countries is the likelihood of a measure of trade diversion in favour of low-cost operators south of the Rio Grande. But Mexico has been such a closeted economy (it only started tc open up in 1986) that simple cost factors alone are bound to cause such a disruption in the short term. Several "East Asian tigers" have made so-called "defensive investments" to forestall any diminution of market share. But East Asians are at least a few steps ahead in the export competitive game. They can agree with President Clinton that the best benefits for Americans would come in the medium term when Mexicans have grown richer and are able to afford a wider assortment of imports. However, Asians have remained irredeemably cool towards NAFTA because the U.S., far and away the economic ring-leader of the pact, would always be in a position to influence the composition of those imports after making sure that most of them would come from its own exporters.

The right vision of NAFTA has been enunciated by a notable American newspaper—an America that opens its borders to foreign goods in return for similar access abroad, an America that provides ample resources to train its workers so they achieve high productivity and therefore high wages.

Nothing more, nothing less. America is far from being as beholden to trade as, say, Malaysia. It can afford to be sanctimonious about trade. We and most of our East Asian partners cannot. East Asia has thrived on the very economic freedom that has become a pillar of the American way of life. Let America not be the first to throw a noose on that freedom.

ROK Dailies Assess U.S. Ratification

SK1911124993

[Editorial Report] ROK vernacular newspapers react on 19 November to the 17 November passage by the U.S. Congress of the North American Free Trade Agreement bill with articles speculating on the possible effects of NAFTA in world trade and on the Korean economy, editorials calling on the ROK to rise to the challenge that NAFTA poses, and additional articles detailing specific countermeasures, which the private and public sector are pursuing.

The anti-establishment Seoul HANGYORE SINMUN in Korean on page 3 carries a 1,000-word article by reporter Kim Chi-sok entitled "World Economy Enters Bloc-Forming Era—Following the EC's Barriers, NAFTA Has Raised More Barriers, and the United States Will Exert Stronger Influence on the Uruguay Round and the APEC [Asia-Pacific Economic Cooperation] Meeting."

The editorial says that the "passage of the NAFTA means that the global economy has entered into a bloc-forming era" and that "not Europe or Japan, but the ROK, Taiwan, and other newly industrialized Asian economies will suffer most" from NAFTA's ratification because their industrial structures are similar to Mexico's. The article adds that "U.S. President Clinton will try to make further efforts to realize his plan to combine NAFTA and APEC" following this ratification of the NAFTA bill.

The moderate Seoul CHOSON ILBO in Korean on 19 November on page 2 carries a 900-word article by reporter Chi Hae-pom anticipating NAFTA's effects on the ROK economy. The article anticipates that "Mexico will become the ROK's strong rival and greatly influence the ROK's export structure," and that the ROK will see a serious decline in ROK exports to the United States, particularly for 24 items that include textile, clothes, motors, and color TV sets.

On a positive note, the article adds that "When NAFTA takes effect, trade among the three North American countries will increase and their demands for imports will also increase with the vitalization of their economies so that from a long-term perspective, our exports may eventually increase."

Based on a study by the Korea Institute for Economics and Technology (KIET), both the moderate Seoul CHUNGANG ILBO on page 8 and the anti-establishment Seoul HANGYORE SINMUN on page 7 carry articles which say that a "serious blow will be dealt" on ROK markets. The 1,000-word CHUNGANG ILBO article by Reporter Nam Yun-ho entitled "Serious Blow Will Be Dealt to the Home Appliance, Auto, and Clothing Industries," says that while these industries will be seriously affected, the semiconductor and computer industry will not, and suggests that firms in these industries should invest directly in Mexico to build bridgeheads to the U.S. market, or open new markets elsewhere. The 1,500-word article by Reporter Kim Hyon-tae entitled "Serious Blow To Be Dealt to the Clothing and Shoe Industries" provides specific results of the KIET report. Each year, exports to the United States are predicted to decline 2.36 percent in the steel industry, 2.57 in the nonferrous metals industry, 2.77 percent in the leather industry, 3.77 percent in the shoe industry, and 10.93 percent in the clothing industry. The KIET report concludes that "the only solution is for the ROK to improve the competitive edge of products."

Seoul HANGUK ILBO also carries a 1,100-word article by New York-based correspondent Kim Su-chong on page 6 analyzing how the ROK's export markets will be affected by the NAFTA bill. Citing an ROK businessman's remarks that "The ROK textile market faces a crisis of extinction in the United States because ROK products will be priced at 35 percent over Mexico's duty-free products," the article outlines the various disadvantages NAFTA will bring to ROK exports of textile, electronic appliances, and cars to North America, and advises ROK companies to follow Japan's example to "invest in the United States and Mexico in conjunction with companies there."

The economic daily MAEIL KYONGJE SINMUN on page 3 carries a 1,000-word editorial entitled "NAFTA Has Become a Reality."

The editorial says that the passage of NAFTA will "strongly affect U.S. negotiations with the EC" and that the "United States will strengthen its influence on the Uruguay Round [UR] negotiations." The editorial concludes by saying that "our government and businesses must promote close economic cooperation with Mexico and Canada to overcome barriers to our entry into the U.S. markets."

CHOSON ILBO on 19 November on page 3 carries a 800-word editorial regarding the expected situation following the implementation of NAFTA.

Noting that "It is certain that the ratification of NAFTA gave a significant political victory to President Clinton and will serve as a strong driving force in the Asia-Pacific Economic Cooperation meeting in Seattle and in the UR negotiations," the editorial foresees a "more active and offensive U.S. attitude toward negotiations with the EC, Japan, and Asia."

The editorial notes that "it is unclear if the strong U.S. desire for the practical progress of a conclusion of the UR negotiations in the APEC meeting will be met," pointing out that "if the United States tries to use the exclusive regionalism similar to NAFTA as its stepping-stone, while talking about international ideals such as the extension of free trade and generalization of multilateralism, it would be contradicting itself."

Stressing that APEC's significance to the ROK has grown as the NAFTA bill was passed, the editorial urges the ROK Government to "play a more active and practical role to produce tangible results in the forthcoming APEC meeting."

The moderate HANGUK ILBO in Korean on 19 November on page 3 carries a 800-word editorial entitled "The Challenge by the NAFTA System." The editorial stresses the significance of the ratification of the NAFTA bill by saying "The 17 November passing of the NAFTA bill by the U.S. House of Representatives will be assessed as a symbolic event that decides on a direction of the world order after the end of the Cold War."

The editorial notes that with the U.S. choice of "economic challenge," North America will form a great "exclusive economic bloc" that can be a match for the EC, thus putting great pressure on the ROK's competition with Mexico in the North American market.

Noting that "NAFTA has confirmed the U.S. long-term political aim of remaining as the only superpower in the world," the editorial stresses on "the need for the ROK, which is still kept in the Cold War situation, to urgently set up a new, long-term goal."

The moderate KYONGHYANG SINMUN on page 3 carries a 1,000-word editorial entitled "Both Government and People Must Make Efforts To Overcome NAFTA."

The editorial says that the passage of NAFTA has made people "worry about a return to regionalism by the United States, which had espoused free trade within the framework of GATT" and that the "ROK, Taiwan, Singapore, and other newly-industrialized Asian economies, not the EC and Japan, will suffer the most." As countermeasures for NAFTA, the editorial says that "we cooperate with all countries of the world to maintain and strengthen the free trade system at all cost" and that "improving our competitive edge is a strong measure to overcome the barrier of regionalism."

MAEIL KYONGJE SINMUN also on page 8 carries a 1,800-word article by this newspaper's Industrial Department entitled "Local Businesses' Countermeasures Against NAFTA."

The article examines what each major big business group is doing to cope with NAFTA.

Hyundai: It is planning to examine the previous canceled plan to build automobiles and auto parts plants in Mexico and expand the operation of its office in Mexico City. Hyundai Precision Industries, a Hyundai affiliate, built a container chassis plant in Mexico in 1990.

Samsung: It is planning to expand its offices in Toronto and Mexico City and place them under the control of its North American office in New York.

Lucky-Gold Star: It has begun to operate a NAFTA team in its North American office in New Jersey. It will open a Canadian office to participate in Canada's development of natural resources.

Daewoo: The vice chairman of the Daewoo Heavy Industries visited Mexico last year to discuss the construction of a large industrial complex, a synthetic fiber plant, and an auto parts plant. An agreement was reached in principle.

HANGUK ILBO on 19 November on page 9 carries a 500-word report on the ROK Government's measures to cope with NAFTA, which were released on 18 November. The report says that "the government will expand investments in Mexico, which has an investment environment favorable to the ROK, and conclude agreements with Mexico on preventing double taxation and on guaranteeing investments in each others side," while strengthening its "trade diplomacy with Mexico and other Central and South American countries."

University Workers Break Into Chamber of Deputies

PA2211220093 Paris AFP in Spanish 2046 GMT 22 Nov 93

[Text] Mexico City, 22 Nov (AFP)—Legislative sources have reported that approximately 500 members of the National Autonomous University of Mexico's [STUNAM] workers union broke into the Chamber of Deputies this morning demanding a salary increase and prevented Finance Secretary Pedro Aspe from reporting on the 1994 budget.

According to media reports, the demonstrators smashed padlocks, overwhelmed the security guards, and broke into the meeting hall to demand an emergency salary raise. STUNAM leader and Deputy Nicolas Olivos was unable to stop the protesting unionists, who think Aspe, because he is in charge of the country's economic policy, is responsible for their salaries' losing part of their purchasing power in the past few years.

A Chamber of Deputies source told AFP that those who "provoked the incident are now leaving after talking with Maria de los Angeles Moreno," leader of the ruling Institutional Revolutionary Party [PRI].

The university workers rallied outside the Chamber of Deputies to criticize the government's current economic policy, which establishes ceilings on salary increases to keep inflation and public finance closely in check.

Aspe's appearance was postponed and it has not yet been decided whether or not he will present his report today.

ICJ Opinion Requested on Jurisdiction

PA2211224693 Madrid EFE in Spanish 2021 GMT 22 Nov 93

[Text] United Nations, 22 Nov (EFE)—Mexico today asked the UN General Assembly to request The Hague International Court's [ICJ] opinion on some countries' attempts to establish legal standards applicable outside their territory. The Mexican Government regards "respect for territorial sovereignty as inherent to the existence of an international society governed by law."

Speaking during a debate on the need to have ICJ answer consultations presented by UN organs, Mexican Ambassador Andres Rozenthal said these consultations would help settle disagreements and prevent conflicts. "One international law matter my government is concerned about is the practice of some countries substituting the unilateral and extraterritorial application of local regulations on territories other than their own for international judicial cooperation," he said.

Rozenthal's remarks clearly alluded to the dispute with the United States on the capture in Mexico of Mexican citizens claimed by the U.S. administration of justice. He said that the UN Secretariat General in 1948 and 1971 called the International Law Committee's attention to this matter and "pointed out the countries' duty to refrain from trying to enforce their authority in other states' territories, except with the express consent of the involved states."

He added that, on both occasions, "the sending of agents to other countries to apprehend alleged criminals was cited as an example and the conclusion was reached that from this stems the duty of any judicial authority not to exert jurisdiction on the captured persons in violation of other countries' territorial sovereignties." "Although such captures are not the only cases where an attempt has been made to illegally enforce local law outside the national territory, they are the most important," he added.

According to Rozenthal, the importance of this issue lies in that "the application of unilateral measures of this type jeopardizes the countries' willingness to cooperate in good faith to combat the forms of crime that range beyond local jurisdiction."

Costa Rica

Fourth Court Ruling Forces Exclusion From San Jose Pact

PA2211141393 San Jose LA REPUBLICA in Spanish 12 Nov 93 p 5a

[Report by Emilia Mora Gamboa]

[Text] A Fourth Court resolution declaring unconstitutional Clause No. 9 of the loan contract between Costa Rica and the Venezuelan Investment Fund (FIV) has forced Costa Rica's exclusion from the financial and energy cooperation program known as the San Jose Pact.

Caracas' EL UNIVERSAL newspaper quotes FIV President Julian Villalba as saying that the decision to exclude Costa Rica from the oil that Mexico and Venezuela jointly supply to 11 Central American and Caribbean countries is due to the ruling, which declares unconstitutional the conditions imposed to make the agreement work. "Although we respect the decision, Venezuela will not give in; consequently, Costa Rica will be left out of the pact."

The unconstitutionality ruling was brought about by the company DIMON, S.A. [expansion unknown], and the 30 March 1993 ruling is based on the violation of Article 33 (the right to equality) and Article 46 (freedom of corporations) of the Constitution.

The Fourth Court found that the condition of acquiring 65 percent of goods and services of Venezuelan origin in the cost of the project is exorbitant and clashes directly with Articles 33 and 46 by giving an advantage to Venezuelan enterprises over Costa Rican ones.

Nevertheless, the Fourth Court did not annul the contract; it only limited the resolutions when it stated to interested parties that Clause Nine is unconstitutional; likewise, the Fourth Court gave participants the possibility of executing the loan without the percentage restrictions on goods and services from Venezuela or to negotiate an alternative mechanism that would not require Legislative Assembly approval.

The FIV president said the program entails supplying 160,000 barrels of crude oil a day in equal parts from Venezuela and Mexico and granting short-, medium-, and long-term loans equivalent to 20 percent and 25 percent of the respective oil bills.

The San Jose Pact obligates the beneficiary countries to use these funds to acquire goods and services "with preference from Mexico and Venezuela, as a way of exerting reciprocity in the commercial and financial exchange. "If there is unhappiness with the rules of the game, this must be suspended," Julian Villalba said.

Arturo Montero of DIMON, S.A. voiced concern over Costa Rica's exclusion from the San Jose Pact, because the writ presented referred exclusively to the National System of Irrigation and Drainage [Sistema Nacional de Riego y Avenamiento—SENARA], one of the many firms that uses Venezuelan financing.

Montero added that there are about 24 cases in a similar situation but that they referred only to SENARA so as not to interfere with other projects, such as the bridge over the Tmpisque River or the Parrita-Quepos Road.

It was impossible to obtain a statement from Armando Balma, president of Costa Rican Oil Refinery (RECOPE), because the RECOPE press office reported that Balma was unwilling to refer to the case because he had not received any official communication.

Despite Venezuela's decision, Costa Rica will not be affected in any way, according to the opinion of certain specialists, because Costa Rica has a satisfactory number of suppliers.

Purchases from Mexico have dropped significantly over the past few years, particularly from Venezuela and substituted by negotiations with Colombia and Ecuador.

Costa Rica can also turn to Argentina or other markets outside the American continent. Purchases of finished products have also been made to the United States in the last few years. The specialists believe that Costa Rica's dependence on the San Jose Pact had been noticeably diminishing.

El Salvador

Cristiani on Land Transfer, Armed Groups

PA2311042793 San Salvador Radio Cadena Cuscatlan in Spanish 1800 GMT 22 Nov 93

[News conference by President Alfredo Cristiani with unidentified moderator and foreign and domestic reporters at the Presidential Palace in San Salvador; broadcast in progress—live]

[Text] [Cristiani] ...Mr. Castro [Eleno Castro, member of the Farabundo Marti National Liberation Front (FMLN) who was shot dead earlier in the month]. The result of the investigation leaves practically no doubt that the incident was not politically motivated but instead was linked to the circumstances. There was a fight or a heated argument between two people whose vehicles collided. These people have already been identified by witnesses who were at the scene. We believe that with the possible arrest of the perpetrator, Eleno Castro's case is closed as far as the investigation is concerned, except for whatever additional investigations the judge may consider necessary. Also, the respective court will be given all of the assistance required.

Today, together with UN Observers for El Salvador [Onusal] Director Dr. Augusto Ramirez Ocampo, we believe we have practically completed the mechanism for investigating the possible existence of illegal armed groups in the country. We hope that from December onward we will be able to begin with the new mechanism

and that it will take over what has been done in the past. We will release details later, respecting the fact that the UN secretary general is to receive the information first. From our point of view, this matter also has been resolved.

[Moderator] Mr. Ismael Beltran of EL DIARIO DE HOY.

[Beltran] Thank you. Good afternoon, Mr. President. I would like to hear your opinion on what has been done regarding what took place at the Gotera Penal center? What instructions have you issued to avoid similar incidents in other jails?

[Cristiani] We have instructed the Justice Ministry to begin an investigation to determine whether there has been any factor, either directly or by omission, on the part of the correctional administration, specifically Gotera, which may have sparked the events, or whether certain measures could have been taken to avert what actually took place. We will await the Justice Ministry report to determine more precisely what we will do regarding this case. Also, of course, we will learn from this case and try to avoid any future recurrence, either in this jail or any other.

[Moderator] Balmore Parada, Radio Cadena YSU.

[Parada] Good afternoon, Mr. President. What agreements were reached during UN Under Secretary General Marrack Goulding's visit? Another question is how much headway has been made in shutting down the National Police [PN] as a security corps, a process that began on 31 October?

[Cristiani] With Mr. Goulding's arrival, what we tried to do was to make this new mechanism conform to the existing investigation into the possible presence of illegal armed groups. We also tried to establish a timetable, with whatever may be drafted into a timetable, and to make this new mechanism conform to those things that are related to the agreement compliance process and that are still pending.

As I initially said, we have concluded the work on investigating the illegal armed groups. Details will be released by the secretary general once he has received the information. Just before we came here, we met with Dr. Ramirez Ocampo and discussed that.

Concerning the other issues, these are normal procedures for continuing work and for trying to clear up everything that can be clarified by a specific date. We are working on the land transfer issue and on the National Civilian Police [PNC] and their deployment. And we are trying to continue moving ahead with the process for complying with these agreements. In other words, these agreements comprise an ongoing process; they are not just something that can be done today and discontinued at a later date.

Regarding the other point, we have demobilized approximately 300 National Policemen as of October. In December, the Cetipol [Police Instruction Center] will conclude its work, and the PN will continue with its process of demobilization. This runs parallel with the deployment of the PNC. Last weekend, it deployed in Usulutan Department, and we feel that by the end of the year it will be able to do the same in La Paz, San Vicente, and possibly Cuscatlan Departments. This means that the central and eastern areas will be covered by the PNC. This is a process that goes along with the work being done by the National Academy of Public Security. As the academy produces new officers, a similar number of national policemen will be demobilized.

[Moderator] Javier Nejarre, from the (?Oro) network.

[Nejarre] [words indistinct] where in this case it refers to the agreement reached today with Onusal? My other question is: Are you planning to attend a meeting of the Central American presidents with U.S. President Bill Clinton?

[Cristiani] Dr. Santamaria did not bring any proposal per se, but this is actually a modification of the initial proposal that the government and Mr. Goulding had discussed. The secretary general made a modification in only one of the pending points. Later on, this point was going to be discussed at Onusal with the human rights group and with the Human Rights Ombudsman. I believe it has advanced very much, and we believe that the mechanism has already been agreed upon, and that it will be settled within the next few days.

With regard to your other question, we have received an invitation. Nevertheless, the meeting of the Central American and Caribbean presidents in Miami would be a full-day meeting with the Association of Southern Governors who come from 19 states, and discussions are under way to determine if it is possible or feasible to coordinate both things. In other words, travelling from Miami to Washington for a luncheon meeting would practically hinder the possibility of holding the one-day meeting with the Association of Southern Governors.

At any rate, we do not have anything against meeting with President Clinton. On the contrary, I believe this would be positive for the Central American and Caribbean region, particularly now that NAFTA has been approved by the U.S. House of Representatives and no problems are expected with the Senate. Nonetheless, the invitation we have is from the Association of Southern Governors. We would have to see if it possible to coordinate the other meeting.

[Moderator] Julio Menendez of "Up to Date."

[Menendez] I have two questions. One on those deals with the rescheduling, on which your government and Mr. Ocampo were working last week after Mr. Goulding's arrival. The other question deals with the research mechanism. We would like to know the commission's composition.

[Cristiani] Regarding your second question, I would prefer to wait. A report will be made sooner than later.

But we have always waited for the secretary general to be informed before we make it public. We can say, however, that we met with Dr. Ocampo this morning. We believe we can make the results of the meeting known no later than tomorrow, as soon as the secretary general is duly informed. I do not want to report ahead of schedule. As for the rescheduling, work is being done permanently to determine what can be rescheduled and what can be completed within a deadline. There is still no specific schedule with specific dates. The idea is to advance as fast as possible. Some things, however, cannot be scheduled, such as the things that must be discussed by the Assembly, for instance, because the Assembly does not depend on a schedule and will take as long as necessary to consider a specific proposal. It is in this sense that we say some things cannot have a schedule. The idea is to work as fast as possible in all circumstances.

[Moderator] Reloses of Mayavision.

[Reloses] Good morning, Mr. President. Apparently, the National Police demobilization project is not being carried out as scheduled. We would like you to tell us which units are being incorporated into the National Civilian Police [PNC] without their being discharged from the National Police first?

[Cristiani] That is completely false.

[Reloses] If that is false, can you explain what happened with the Criminal Investigations Commission and OAS [words indistinct] and the men who joined PNC had their salaries increased?

[Cristiani] There is a specific agreement between the OAS and the Criminal Investigations Commission whereby these men are transferred to the PNC as individuals, after the PNC director declares each of the men fit. In addition, they must take a basic course on the PNC principles. This, however, is part of the signed agreements and not of the normal process to incorporate National Police members into the PNC. Hence your assertion is completely false.

[Moderator] Bienvenido Franco of NOTIMEX.

[Franco] Mr. President, did you receive a special invitation from President Cesar Gaviria to visit Colombia? If so, what items would you discuss with him?

[Cristiani] At the time, we are trying to set a date for a visit to Colombia. The main subject to be discussed will be the free trade agreement between Colombia and Central America, which has not yet been concluded. We believe that some of the points for this agreement, which we believe will also be beneficial, can be settled through a personal conversation.

President Gaviria is also a member of the friendly countries, and whenever there is an opportunity, he is given a report on how the peace process is doing. It is always in the interest of the friendly countries to be abreast on how the peace process is progressing. These are, I would say, the most important topics.

[Franco] And the date?

[Cristiani] We are trying to accomplish this before the end of the year, taking into account the Christmas and New Year holidays.

[Moderator] Miles Slashing, Radio Farabundo Marti.

[Slashing] Good afternoon, Mr. President. I have two questions about the commission that will investigate the paramilitary groups. I understand you cannot give the names of the commission members, but I would like to ask whether the commission make-up will satisfy the concern of the Human Rights Ombudsman, Dr. Carlos Mauricio Molina Fonseca. In other words, will it be an autonomous and believable commission? The second question on this same topic is this: How will the interinstitutional commission that you formed following the murder of Francisco Velis be affected by this commission?

[Cristiani] We believe that the way the commission is made up should not present any problem to the prosecutor. As I said before, we need to take very much into account that all commission members should enjoy credibility. I do not believe that credibility has exclusively to do with who makes up the group but, instead, on the way an investigative group works. I believe that to try and look for indicators before the events can also lead to many mistakes and can create much harm, but we believe that the topic has been discussed.

Onusal has taken into account certain observations made by the prosecutor, and we have no problems with any of the small things that we can see to. We believe that after concluding this morning's work with Dr. Ramirez Ocampo we do not see any reason for the prosecutor to oppose this.

I also want to correct something: The interinstitutional commission was created before the Francisco Velis case. What was created following the murder of Francisco Velis is the executive unit that operates under the interinstitutional commission, where investigators from abroad were brought in. In other words, a specific investigative mechanism was created for specific cases, which is already yielding some results. We see the initial fears prompted by these types of murders, at least in the case of Eleno Castro, have proved not to be politically motivated.

Guatemala

De Leon on Talks With Rebels, NAFTA Participation

PA2311022893 Guatemala City SIGLO VEINTIUNO in Spanish 21 Nov 93 p 3

[Report by Pedro Revolorio]

[Text] Commenting on the rebels' demolition of a bridge in Taxisco, Santa Rosa, after midnight on 20 November,

President Ramiro de Leon Carpio has expressed doubts about the Guatemalan National Revolutionary Unity's [URNG] alleged willingness to resume the peace talks. He asked, "The URNG has voiced willingness to resume the talks, but how great is this willingness considering they are perpetrating terrorist actions against the country's population and economy?" De Leon thinks that by blowing up bridges, utility pylons, and other infrastructural works, the rebels are only succeeding in making their presence felt "because they stand no chance of attaining a military victory; this is certain."

According to the president, the best we can hope for is a peaceful revolution through the transformation of the state's structures. Armed revolution is completely passe in the world because the ideology that once supported it has collapsed.

He said the decision to temporarily suspend the return of 1,844 refugees who hope to settle in Pueblo Nuevo Resurreccion, Ixcan Jurisdiction, Quiche Department, was made after careful consideration by Comar [Mexican Commission for Aid to Refugees], UNHCR [UN High Commissioner for Refugees], CEAR [Special Commission for Assistance to Repatriated People], and the mediator because there is no protection or guarantees for the repatriated people.

De Leon Carpio said that although the Guatemalan people who sought refuge in Mexico have the right to return to their homeland, this process must take place in accordance with the agreement signed in October 1992, which stipulates that the repatriations must be carried out in a way that guarantees the refugees' safety. He said there are problems for this return.

He also said the central government has contributed 180 million quetzales for the development of municipalities and that a considerable portion has been allocated to social funds such as FIS [Social Investment Fund], Fonapaz [National Fund for Peace], and Fonatierra [National Land Fund] and that this money will be distributed through the Regional Councils for Urban and Rural Development.

De Leon also commented on NAFTA, which has been approved by the U.S. House of Representatives and Senate, and he also discussed the agreement's advantages for Guatemala and Central America. He thinks Guatemala's production level can guarantee Guatemala's participation and access to this market, particularly in southern Mexico. During the so-called dry winter season in the United States, Guatemala can sell its vegetables and fresh fruit because the United States cannot produce these in this season.

De Leon said it is necessary to reactivate productivity and improve marketing with technical and loan assistance programs to support large-, medium-, and small-scale farmers. De Leon said economic blocs have been established in Europe, Asia, and America and that, because of this, neither Guatemala nor Central America can afford to lag behind.

He said he hopes NAFTA will make it possible for Guatemala to gain access the great northern market, which Guatemala could take advantage because of its proximity to Mexico, United States, and Canada. This will make it possible for Guatemala to lead the rest of Central America in the fight against poverty and for a more equitable distribution of wealth and better marketing levels in the NAFTA markets.

Nicaragua

Chamorro Pledges Cooperation Against Terrorist Groups

PA2111165393 Managua LA PRENSA in Spanish 18 Nov 93, p 3

[Report by Roger Suarez M.]

[Text] In Spain after meeting with Spanish Prime Minister Felipe Gonzalez, President Violeta Chamorro said she will continue to expel from Nicaraguan territory all foreigners involved in activities of the Basque Fatherland and Liberty Organization [ETA] or any other international terrorist group.

Chamorro held a joint news conference with Prime Minister Gonzalez yesterday and said that during the Sandinist administration, many Marxist-Leninist internationalists and individuals linked to terrorism came to Nicaragua. "Since I have held the Presidency, however, people who are in the country illegally have had to leave," Chamorro said. She explained that foreigners who work and produce for the country's welfare can stay in Nicaragua without problems.

For his part, Prime Minister Gonzalez, whose political enemies criticized him for his tolerance of the Sandinists, said Daniel Ortega's government did not cooperate in the struggle against the terrorist group ETA as much as the Spanish Government would have liked.

When a reporter asked whether the Spanish prime minister felt betrayed by Daniel Ortega upon learning of the presence of ETA members in Nicaragua, Gonzalez answered: "Maybe betrayed is too harsh a word.... We had reports on the presence of ETA members in Nicaragua, but no reports to indicate that their presence in that country translated into activities against Spain."

The Basque terrorist group ETA has repeatedly placed powerful bombs in cars parked in the Madrid streets over the past few months, thus taking innocent lives and destroying the infrastructure.

Gonzalez, after praising the Chamorro administration's policy of cooperation against terrorism, said former President Daniel Ortega's policy should have been the same, but "it was not, and we really regret it." Commenting on Ortega's attitude after learning of the electoral defeat of 1990, he said the Sandinist former president rendered a great service to Nicaragua by accepting the election results. The Spanish leader promised

Chamorro that he would provide advice for the democratic ordering of the new legislation for the Sandinist Army.

During the news conference at La Moncloa Palace, Chamorro said: "I have come to request assistance on how to make the changes for the transition of the Army."

The president expressed satisfaction with the results of her visit to Spain and said that in returning to her country she would bring good news to the Nicaraguan people. Chamorro is very popular in the media of the Iberian peninsula due to her unequivocal cooperation against terrorism.

In April 1993 the Spanish Government agreed on a cooperation program for Nicaragua worth approximately 10 billion pesetas. Gonzalez announced the creation of a group of friends of Nicaragua with the participation of Spain, Mexico, Canada, Germany, Sweden, and Norway, which will analyze our country's democratic development and economic reactivation.

Chamorro met with Jose Maria Aznar, president of the conservative Popular Party, with whom she had breakfast in the El Pardo Palace in Madrid, which is the official residence at which the Iberian government lodges foreign visitors on official visits to this country. The president's visit ended on 17 November.

Troop Deployment Planned To Defend Coffee Harvest

PA2111035493 Managua EL NUEVO DIARIO in Spanish 19 Nov 93 pp 1, 8

[Text] Two thousand members of the EPS [Sandinist People's Army] will be deployed to the areas devastated by the now defunct "3-80" Northern Front to protect the coffee harvest and to prevent production from being blocked by the armed groups that operate in northern Nicaragua.

Information regarding this military movement was confirmed yesterday by Major General Joaquin Cuadra Lacayo, chief of EPS General Staff, who explained at the legislature the situation the Armed Forces will face with the low budget assigned to them by the Finance Ministry.

Cuadra Lacayo, the military officer most besieged with questions from reporters at the end of the parliamentary committee hearings held concerning the national budget bill, said the plan to defend the harvest was established at the conclusion of operations against the forces led by "El Chacal," Jose Angel Talavera, who fled to Honduras.

Cuadra said the military forces will be stationed in Jinotega, Matagalpa, and areas northeast of Region 1, "to protect what constitutes a considerable effort of those who worked on the coffee harvest, and from this effort we will develop permanent coverage of certain areas," in coordination with the police.

Cuadra Lacayo confirmed that clashes have taken place between the Army and small criminal gangs that engage in robbery, pillaging, and extortion and, according to the latest reports, the areas of deployment have quieted down considerably, which allows producers to devote themselves to the improvement of their farms and to transit their roads more frequently.

Regarding the Military Organization Law, Cuadra said it will soon be sent to the National Assembly for debate and approval. He was also asked questions asked of the UNO [National Opposition Union] and FSLN [Sandinist National Liberation Front] concerning the future military law, but said he only knows what has been published in newspapers. "I believe it is positive and important to have consensus among the political forces on fundamental issues such as the law the Executive Branch is helping to prepare, which will govern this institution (the Army)."

Officials on Results of Withholding Coffee Production

PA2211013693 Panama City ACAN in Spanish 2355 GMT 18 Nov 93

[Text] Managua, 18 Nov (ACAN-EFE)—A Nicaraguan Government official expressed his satisfaction today with the "progress" of the program to withhold 20 percent of their 1993-94 coffee crop, which was adopted by the coffee-producing countries.

David Robleto, president of the National Coffee Commission [Concafe], said the measure adopted by the recently created Association of Coffee-Producing Countries [APC] "had been complied with to a large extent," but he gave no further details. "We, the APC, are not going to speculate because the program's objective is to get our raw material to appreciate and to ensure a balanced market demand flow," he underlined.

Furthermore, in the name of the country's coffee producers, the Nicaraguan official said there was optimism for the hike of the grain's price on the international market. "To date, the opening price for coffee on the international market was $75 (for a 46-kg sack) and the closing price was set at $78," Robleto pointed out.

The Concafe president asserted that the Nicaraguan exportable coffee production for the 1993-94 period was calculated at approximately 850,000 46-kg sacks, "which will generate approximately $70 million" for the country. On 1 October, Nicaragua started to keep 20 percent of its 1993-94 coffee production, equivalent to approximately 185,000 46-kg sacks of the Nicaraguan exportable production.

EPS' Cuadra Reports Military Operations in North

PA2111003693 Panama City ACAN in Spanish 2343 GMT 18 Nov 93

[Text] Managua, 18 Nov (ACAN-EFE)—Major General Joaquin Cuadra Lacayo, chief of staff of the Sandinist People's Army (EPS), said today that at least 200 Nicaraguans died this year in an undetermined number of clashes between the military and "recontras" organized under the "3-80" Northern Front.

In statements given to the media at the Nicaraguan legislature, the military chief did not say how many of these casualties were sustained by the Army and how many by the rebel forces led by a "staff" of 16 "commanders," who are former members of the extinct anti-Sandinist "contra" groups. Cuadra Lacayo added that this information will be disclosed during an Army High Command news conference to publicize a report on military operations in the northern part of the country.

The rebel groups of the 3-80 Northern Front rearmed in the northern mountains to protest the lack of compliance with the agreements by which they demobilized in June 1990.

Cuadra Lacayo underscored that more than 2,000 soldiers have been deployed to northern Nicaragua to fight the rebel forces that last August did not avail themselves of the third amnesty decreed by President Violeta Chamorro to bring about peace in the country. More than on fighting, in the last weeks the Sandinist troops have focused on protecting rural roads and large farms to safeguard the coffee harvest, which is expected to generate $70 million, added Cuadra Lacayo.

One of the latest heavy battles took place early this month in San Jose de Bocay, in northern Nicaragua, where, according to the military chief, "there were only wounded," although other reports stated there were many casualties. This town was occupied for several days by a group of rearmed "contras" called "recontras," who were evicted by the Army following a military operation whose results are not known yet. "There no longer are any military operations there," stressed Cuadra when he was questioned by journalists about the results of the latest clashes in San Jose de Bocay.

The military chief and other members of the Army staff appeared today before the Economic Affairs Commission to request a larger military budget because they think that the $36.4 million allocated to the Armed Forces next year is for "basic survival" only. According to Cuadra Lacayo, the Army needs a $3 million increase, at least, for next year. He warned that the country could face an increase in drug trafficking if the budget is decreased.

After three years of reorganization and reduction plans, 14,555 soldiers remain in the Army, including 2,000 officers, said Cuadra Lacayo. This makes the Nicaraguan Army the smallest in Central America, he added.

FSLN Document Outlines Constitutional Amendment Proposals

PA2011161193 Managua BARRICADA in Spanish 18 Nov 93 p 5

['Excerpts' of document entitled "FSLN Proposals on Constitutional Amendments;" place and date of issue not given]

[Text] Basis for the FSLN Proposal for Amendments to the Constitution

1. Consolidation and Defense of Economic and Social Achievements Under the New Situation

- Protection, promotion, and development of all social forms of property.
- Fortification of cooperative and associated property.
- To deliver titles to beneficiaries of urban properties and of the Agrarian Reform and to recognize their right to have access to credit.
- To protect small and medium production (industrial and handicraft).
- No privatization of state banks.

2. Public Services

- State's obligation to provide those services.
- State assets, enterprises, shares, or properties can only be transferred or given in concession through a law.
- Education, Health, and Social Security.
- The State must provide these services without exception and must expand and improve them.
- The direction, planning, and control of these services cannot be delegated by the state.

3. University Autonomy

- Strengthen it, including academic areas.

4. Property and Enterprises

- All forms of property must have the same guarantees of inviolability.
- No property can be subject to confiscation. Expropriations for public use will only be done through a judicial process after indemnifying the owner.

5. Economic Matters

- The National Assembly must approve economic, fiscal, and customs policies and the Monetary Law. It must ratify agreements and treaties on foreign debt and commitments with international financial institutions. It should have more authority in term of the approval and follow-up of funds assigned through the nation's general budget.
- The transfer of the most valuable state property and enterprises must be done through a special law in each case and approved by the National Assembly.
- For less valuable property, the comptroller general will establish sale procedures.

6. Democratization

- Mechanisms for participative democracy at national and municipal level.
- Municipal autonomy.
- Regional Autonomy of the Atlantic Coast.
- Reduction of terms for president, representatives, and Municipal Councils.
- Reforms to the political-administrative division.

7. Maintaining Balance Among State Branches and Strengthening Institutions

- Executive Branch: Its organization must be through a special law approved by the National Assembly.
- The Legislative Assembly should have authority to appoint government officials, magistrates, the comptroller general, deputy comptroller general, attorney general, and deputy attorney general.

8. Restrictions to Elective Positions

- Banning presidential reelection for the next period.

9. Army and Police

- Define a new name for the Army and its subordination to the civilian government.
- Establish a five-year period for the Army commander.
- Eliminate compulsory military service.
- Establish a Military Organization Law.
- Include the National Police as the institution charged with guaranteeing citizens' protection.

UNO Leader Cesar Discusses Constitutional Reforms

PA2211023593 Managua Radio Corporacion in Spanish 2200 GMT 19 Nov 93

[Interview with Alfredo Cesar, leader of the Social Democratic Party and UNO member, by an unidentified reporter; place and date not given; from the "Five O'Clock Sharp" newscast—recorded]

[Text] [Reporter] Engineer Alfredo Cesar, member of the National Opposition Union [UNO] political council. Engineer Cesar: At this moment an UNO political council commission is negotiating with the Sandinist National Liberation Front [FSLN]. These negotiations have not yet discussed a main point in the meeting, which is UNO's recovery of the National Assembly majority, a reflection of the people's wish in the 1990 election. What is happening?

[Cesar] There are two simultaneous negotiations: the negotiation being carried out by the UNO-designated political commission, coordinated by Dr. Miriam Arguello, which is negotiating with the FSLN the content of possible reforms to the Constitution. Simultaneously, there are ongoing negotiations with the government on the topic of a parliamentary majority. UNO has repeatedly said that it lost its majority in parliament because of the government. Under a legal system things may be dismantled much the same way they are created, this is up to the government to agree with UNO on the recovery of the parliamentary majority. The two negotiations are simultaneous and parallel and in order to keep to the El Crucero Agreement, which the 10 UNO parties signed on 30 October, we require an agreement with the FSLN on the content and substance of possible reforms to the Constitution and an agreement with the government for the recovery of an UNO parliamentary majority by 30 November. If both take place before 30 November, then partial reforms will become effective. If either of the two points are not reached before 30 November, time will have run out and the 10 UNO parties have pledged that from 1 December on we will demand that a Constituent Assembly be called.

[Reporter] Engineer, are partial reforms satisfactory for the Nicaraguan people? I believe that in general, the people are not very aware of the implications of a Constituent Assembly. Mention has been made regarding the purpose of a Constituent Assembly; it has been especially stressed that in a Constituent Assembly the current deputies would end their term and new ones would be elected.

[Cesar] What can the reforms accomplish? Some technicians claim that reforms can change very little. It is for this reason that UNO parties have been calling for the election of a Constituent Assembly to draft a completely new Constitution that reflects the will of the Nicaraguan people under the current circumstances: attempting to build a stable democratic system. People are also aware, however, that to hold a Constituent Assembly or even partial reforms, this cannot be done just with UNO votes, even if UNO recovered its parliamentary majority. The Constitution specifies a vote by 60 percent of the deputies in one case and a two-thirds vote in the other. In both cases the Sandinist bench vote is also needed. That is why it was decided to give partial reforms true and serious consideration in view that the FSLN had insisted that they prefer partial reforms. Partial reforms would not have the far-reaching effect of a new Constitution, but we cannot go to the extreme and say that partial reforms will not accomplish anything. That is not true either.

If there was agreement with the FSLN we could reform things as follows: the chapter that deals with the national economy. Under the current Constitution the national economy is under state control—insurance, reinsurance, foreign trade, banking activity—a reflection of a centrally planned economy. Partial reforms could allow the concept of a social market economy, which is what UNO especially wants. The chapter on the Armed Forces can be totally modified. There are five articles in the chapter that deals with the Armed Forces. These not only determine its name, but the nature and the way the Army and police are currently controlled. There can be a total modification, obviously, of how the Armed Forces operate through partial reforms, the type of mechanism to ensure obedience to the Executive Branch, responsibilities of Armed Forces members, duties, powers, and the name itself.

Another chapter that can be changed through partial reforms has to do with the Supreme Court, the powers it wields, and how it is made up. We all want a judicial system for Nicaragua that ensures true justice, something that has not happened yet. This requires not only a change of magistrates—their terms end this year—but changes in the way the Supreme Court is structured as regards to its powers and duties. This can be changed with partial reforms. The powers of the National Assembly can also be changed, the powers of the president, and the vice president's lack of power.

UNO, FSLN Reach Consensus; Talks To Continue

PA2211230793 Managua BARRICADA in Spanish 20 Nov 93 pp 1, 12

[Report by Maria Alicia Talavera]

[Text] Representatives of nine of the 10 parties in the National Opposition Union (UNO) and the commission appointed by the FSLN [Sandinist National Liberation Front] to negotiate partial constitutional reforms yesterday achieved consensus on issues concerning the national economy, intellectual property, and state organization. They agreed to continue negotiations at 1600 on 22 November.

In their fourth meeting, the country's two leading political organizations agreed on the need to propose the creation of institutions to strengthen citizen's rights, such as a court of administrative disputes, a labor court, and a human rights ombudsman. Although, as they explained, all of these institutions will be created when the country's economic condition permits, Bayardo Arce Castano, a member of the FSLN commission, stressed the progress that has been achieved to date in areas like defense, the economy, and citizen's rights guarantees.

With the commissions working at this rate, Arce said, "we will make progress on at least 90 percent of the proposed reforms prior to 30 November," the deadline established by UNO to achieve a consensus with the FSLN. Nevertheless, Arce explained, "We Sandinists have not established a deadline," adding that the Sandinists' reference date is 15 December, when the current National Assembly session ends.

Despite the atmosphere of detente surrounding the talks, a radical faction within UNO has criticized Dr. Miriam Arguello's (Popular Conservative Alliance) efforts as coordinator of the UNO commission, which is an effort to hinder progress toward a consensus by the 30 November deadline.

Arguello said she has based her coordination efforts on the constitutional reforms bill presented by UNO in 1991. "Every issue on which we have eventually reached a consensus (with the FSLN) bears the signature of Dr. Julio Icaza Tijerino (UNO's legal adviser)." Within UNO circles, Icaza Tijerino is characterized as the person who is attempting to hinder the FSLN-UNO negotiations.

Attention has been drawn to Wilfredo Navarro's (Independent Liberal Party) permanent absence from the talks, which, in fact, proves that a faction of UNO does not want to achieve a consensus on the constitutional reforms. The situation is such that Dr. Arguello had convened a meeting of the UNO Political Council following the talks with the FSLN, but only Communist Party leader Eli Altamirano showed up.

FSLN Secretary General Daniel Ortega warned that these attempts to undermine Arguello's authority might be an indication that the Political Council is "playing with the hopes and confidence of the Nicaraguan people." The Sandinist delegation, Ortega said, "would like to believe the UNO delegates are fully authorized to negotiate."

Articles 98, 99, and 104 proposed by UNO; Article 102 proposed by the FSLN; and Article 127 were revised at yesterday's session, which began at 1000 and concluded just after 1700. The key issues dealt with in these articles are the state's primary duties in terms of overall development and economic growth, state property rights, loan contracts, the state's irrevocable right to a central and state bank, the state's competence in insurance and insurance institutions, and the state's duty to provide basic services to the population.

FNT Presents Draft Bill Suspending Privatization

PA1911232793 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 18 Nov 93

[from the "National Newscast;" passages within quotation marks recorded]

[Text] The National Workers Front [FNT] has presented to the National Assembly Justice Commission, which is working on the Privatization Law draft bill introduced by the Sandinist Nationalist Liberation Front [FSLN] wing, a draft bill calling for a temporary suspension of the privatization law but without any type of procedure. The document was presented only to be dated and signed by the representatives of the National Assembly and the president of the Republic.

[FNT Secretary General Lucio Jimenez] "We are trying to obtain a six-month moratorium, which we believe no citizen or official will be against.

[FSLN Deputy Danilo Aguirre, Justice Commission chairman] "The commission is receiving this as (?input) because we receive the draft bills from the plenary; that is, from the Board of Directors, which presents them to the plenary and then turns them over to the commission. This FNT draft is not a legal draft; it has not gone through the proper procedure. It would have to go

through the Secretariat then be included in a session where the plenary discusses it and then turned over to the commission."

Dr. Danilo Aguirre said the FNT draft bill is unadvisable as it flatly proposes suspending discussions on the Privatization Law. Lucio Jimenez himself explained that the FNT proposal on a moratorium does not have Sandinist wing support.

[Unidentified reporter] "Was that moratorium proposed to the Sandinist wing yesterday?

[Jimenez] "That is correct.

[Reporter] "What did the wing members say?

[Jimenez] "I think that the wing did not agree very much with our proposal; nonetheless, we are going to resort to other deputies and other parties, including the FSLN."

The commission met later with Dr. Thomas Delaney Solis, Presidency legal adviser, who (?explained) the government's stand regarding the Privatization Law introduced by the Sandinist wing.

[Delaney Solis] "In principle the government agrees with a framework law that will serve to regulate in some way the privatization of certain basic services of the civil state, so that the executive and legislative branches will share the responsibility."

Delaney added that the law contains provisions that are much too broad, such as returning and [word indistinct]. To this effect, he said the government has certain reservations. Speaking more about the need for privatization, he explained that the government has a very high public expenditure in enterprises that are not productive.

[Delaney Solis] "Much is being said about privatization. When we speak of privatization, we are not speaking of the privatization of the institutions per se but of the privatization of certain services. Some of them [words indistinct] in this country, such as cellular telephones. That does not mean that the state is going to undertake full responsibility for providing certain types of services; in other words, the fact that it is efficient [words indistinct] does not mean that it does not need private investment for developing or increasing the development of certain activities."

Health Minister Reiterates Nonprivatization of Services

PA1911230093 Managua Radio Nicaragua Network in Spanish 1100 GMT 18 Nov 93

[From the "This Morning" newscast]

[Text] Health Minister Martha Palacios has reiterated that health services will not be privatized as announced by health unions which, according to Palacios, are misleading the population. Palacios clarified that the Health Ministry is only implementing new work methods to provide quality attention to the population.

[Begin Palacios recording] The Health Ministry is not privatizing services and continues to oppose the privatization of the sector. What we are doing is promoting new health methodologies, which involves contracting out medical services that we lack and carrying out a better coordinated work with nongovernmental organizations and the community itself, so that they can also participate in finding solutions to health problems. If at any point one of our health care units can improve its efficiency by signing an agreement with private doctors and clinics that are willing to help improve the quality of health care, we will be willing to enter such an agreement, but we have not mentioned privatization; in other words, the Health Ministry will still be paying for these services in communities that are not covered by the Nicaraguan Social Security and Welfare Institute.

I reiterate: the Health Ministry has not mentioned privatization, and what has occurred is a misunderstanding. I think the unions.... [pauses] I think that during his speeches Dr. Porras [Gustavo Porras, secretary general of the Federation of Health Workers] has not accurately expressed the Health Ministry's will to engage in these new actions, which solely seek to provide the population with better health services. We are very concerned about this because the most effective way to provide better services to the population is by having more efficient medical personnel; therefore, we need to promote incentive programs to increase the productivity of health care workers. [end recording]

Costa Rica Denies Entry to Nicaraguans With Permits

PA2011142493 Managua Radio Corporacion in Spanish 2200 GMT 18 Nov 93

[From the "Five O'Clock Sharp" newscast]

[Test] Rivas—The Nicaraguan media announced that on 18 November at least 50 Nicaraguans, who were traveling to San Jose, Costa Rica with local permits were sent home by armed soldiers stationed at the El Salto checkpoint between Canas and Liberia.

Nicaragua intends to do likewise in Ochomogo, where an Immigration and Alien Directorate office will be established to prevent Costa Ricans without passports from entering the country.

Approximately 600 local permits are issued every month in Sapoa, according to a source who criticized the Costa Rican authorities' negative attitude toward the Nicaraguans, who they refused to allow to enter the neighboring country.

Panama

Revenue Director on Miami Money-Laundering Charges

PA2211170593 Panama City LA PRENSA in Spanish 22 Nov 93 p 5a

[Report by Arturo Aparicio]

[Text] David, Chiriqui Province—The Miami banking center could be interested in discrediting Panama abroad through its money-laundering charges, Revenues General Director Alvaro Aleman has said. The official said that there is a campaign involving certain congressmen and media in the United States to discredit Panama's banking center because this would benefit Miami.

Three months ago a U.S. newspaper reported that the Panamanian banking center offers money-laundering services to drug traffickers. He added, however, that the arrest of Legislator Anel Ramirez, who is charged with drug trafficking, and a recent scandal surrounding an investigation by the Technical Customs Investigations Division (DITA) into the attempt by four legislators to smuggle drugs along the border into Costa Rica do not help Panama's image either.

This, along with the old notion of Panama being a bridge for drug trafficking, could prompt the U.S. Congress to deny Panama access to $20 million belonging to former General Noriega that were frozen in 1990.

Aleman said that Panama is not the only country confronting drug problems, because nearly every country in the world faces the same problem; although this problem exists in our country, it is magnified with the sole "purpose of damaging our international image." There is a different reality in Panama, he added, because the Panamanian banking center has for a long time been adopting measures to prevent money laundering.

PDC Presidential Candidate on 'Clean Fight'

PA2211182693 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Nov 93 p A1

[Report by James Aparicio]

[Text] Ricardo Arias Calderon was elected last night presidential candidate for the opposition Christian Democratic Party [PDC] after overwhelmingly defeating parliamentarian Carlos Arellano Lennox, who also ran to lead the presidential ticket. Arias, a former vice president of the Republic and until yesterday president of the PDC, obtained 839 votes, while Arellano Lennox garnered 174 votes. Legislator Raul Ossa was elected PDC president after defeating businessman Ivan Romero by 614 votes against 348 votes.

The 11th PDC Congress was held at the Atlapa Convention Center, following a crisis that resulted in the dismissal of three legislators and the removal of Gloria Moreno de Lopez, who is also a legislator, from the post of vice president of the opposition party.

After 14 hours of deliberations and voting, the PDC Congress of nominations finished in a carnival-like atmosphere, where party members danced to the rhythm of salsa and merengue.

Upon learning of his victory, Arias Calderon said "we are going to join the struggle that all Panamaians want once more: a clean fight without hatred or violence. It is an all-out struggle without fear, a struggle to rid ourselves of the past represented by the government and the PRD [Democratic Revolutionary Party] on the other hand," Arias explained, adding that Panama's future requires "that the people regain confidence in their government." This involves, he continued, an all-out struggle against traditional corruption and the new form of corruption, namely drug trafficking.

The PDC Congress was attended by the entire board of directors of the Solidarity Party led by industrialist Samuel Lewis Galindo, as well as representatives from the Liberal Party, Popular Alliance, and the Popular Nationalist Party.

Arias Calderon, who winds up a political career that began in the 1960's, was president of the PDC since 1980 and ran for the vice presidency of the Republic in 1968, 1984, and 1989.

According to Arias Calderon, the PDC is not going adrift, and that is why "we offer a path and direction." He also said that his party represents democracy to decide and the discipline to execute. Additionally, he recalled that just as three lawmakers were expelled from the party two months ago over discipline, in 1960 the same measure was adopted against Deputy Moises Cohen Cattan.

PDC Candidate Accepts Nomination

PA2211220493 Panama City Radio KW Continente in Spanish 0425 GMT 22 Nov 93

[Presidential nomination acceptance speech by Ricardo Arias Calderon, Christian Democratic Party, PDC, president, at the Atlapa Convention Center in Panama City 21 November—live]

[Text] Many of you have been here with the media for more than 15 hours. I thank you from the bottom of my heart. We are going to fight, to fight back as the PDC knows how to fight back, just as how all Panamanians want to fight back—clean, free of violence and hatred, with confidence, and without hesitation. We are going to fight to build a better future for all Panamanians and more so for those who have less, who have to struggle more and are more in need. [applause; crowd chants: "President Ricardo, President Ricardo!"]

In the same way that I have been helped to reach this point today, to this presidential candidacy, I call on you to continue supporting me in winning the election and

thus form a government that will make the Panamanian people again become self-confident and faithful. As you know well, I have never requested help from anyone if first I am unwilling to lead the struggle as I have always done. [applause; crowd shouts: "Viva, Dr. Ricardo Arias Calderon!"]

I have never asked anyone to take risks or take risks on their own. Anytime I have called on someone to take risks I have always said, Let us do it together, I will go along, and I will lead whatever risk taking there should be. Now, again I am about to lead another risk as well as a great opportunity, which entails reaching to the Presidency of the Republic to build a better future for all Panamanians, a future of hope, better opportunities, justice, and well-being.

Christian Democrats, but not only Christian Democrats, let us all get out there and fight. I call on the support of all democratic forces that are committed to a better future, that are not eager to return to the past, neither the past before 1968 exemplified by a political tradition as represented by this administration, or the past prior to 1989 of the dictatorship as represented by the PRD [Revolutionary Democratic Party]. Let us leave the past behind. Let us free our country of the past, and let us all build a better future for all, a future of hope and opportunities.

My fellow green star party members, I invite you and a thousand other Panamanian independents, who are not committed to the past but willing to gamble on the future in a Panama which offers opportunity to all. God willing, we can give this country what it really deserves, a democratic opportunity for change and a better future. That is what this country deserves, and, God willing, that is what we Christian Democrats would like to give Panama. [applause; crowd chants: "We feel it, we feel it, President Ricardo!"]

To achieve this we must rid ourselves of the past, of the traditional politics prevailing prior to 1968 that is represented today by the official sector, which wants to cling to power. Have we not noticed, Panamanians, that influence peddling, corruption, and white collar crimes have thrived under this administration? Of course we have. I ask you, have Panamanians realized this reality, yes or no? [crowd answers: "Yes!"]

Have we not realized that the economy is growing but that this growth is not benefiting the most needy segments of the population, who are still besieged by unemployment and poverty? Have we realized this, yes or no? [crowd answers: "Yes!"]

Are we not ashamed of so many clumsy statements made under this administration and of so many scandals under this administration? Panama deserves more than this, better than this. It deserves a future of decency, social justice, productivity, and a healthy economy that will offer jobs to Panamanians. That is what Christian Democrats and those who will commit themselves to my candidacy of hope and a future want to give the Panamanian people.

A future cannot be built with those linked to the period prior to 1968. This is why we say to official sectors that they will not cling to government for another five years. We are fed up with what the official sectors represent. [crowd applauds, chants: "Our friend Ricardo, the people support you!"]

We must also get rid of the past, as represented by the party that served the dictatorship prior to 1989. Do they think we have forgotten the times when the Panamanian peoples' human rights were cruelly violated with repression, jail, torture, exile, and murders? Have we forgotten? [crowd answers: "No!"] Do they think we have forgotten that millions of dollars of the public debt were hoarded and squandered, that we must now shoulder that debt and pay with money out of our own pockets? [crowd answers: "No!"] Do they think we forgot that they stole $100 million from the Social Security Fund housing program? [crowd answers: "No!"]

We have also not failed to notice that the candidate of the dictatorship's party has taken advantage of every opportunity to defend the evil Dignity Brigades and Codepadis [Committees for the Defense of the Fatherland and Dignity]. This is why we say clearly to the candidacy representing the past of the dictatorship: They will not return! [crowd chants: "They will not return!"]

We will struggle with all our might and will work tirelessly not only to rid ourselves of the past but to build the future of our fatherland, to build the fatherland we keep in our hearts, minds, feelings, and the actions we will carry out.

We will build the fatherland in keeping with certain basic guidelines: first, turn economic growth into human development. What does this mean? Above everything, more and better jobs for all Panamanians, more and better education for all Panamanians, and more and better health for all Panamanians to ensure that all Panamanians, those who have less and need more and those who produce wealth honestly, feel a joy to live in Panama and are proud of being Panamanians.

A second guideline is this: We must turn the government into something the people can feel belongs to them. We must promote a rebirth of confidence and faith in the government. This cannot be done unless we make a frontal assault on corruption, old-fashioned, traditional corruption marked by nepotism, influence-peddling, and embezzlement, as well as modern corruption, which is marked by drug trafficking and money-laundering.

What we must do is catch the big fish and fry them. [applause] We cannot keep the small fry and release (?the big fish). We must make the Panamanian people confident in the government, which is not possible with the current government, which has discredited itself, just as

it is not possible with a return of former rulers who did the country so much harm and created so many traumas for us.

I am inviting you to a new future, a future made with our own hands, with the participation of the people, communities, civic groups, business sectors, workers, professionals, peasants, and Indians; in other words, with the participation of each and every Panamanian. I invite you to a new future created by forces that will make a democratic commitment to our future and will not yearn for the past.

I propose a great fight, a clean fight, a lofty fight, but a vigorous and strong fight; the kind of fight the Christian Democrats know how to wage, and the kind of fight I have fought throughout my life. [applause]

A fight for Panama, for the Panamanian people, and for their future. In such a fight, I know I can count on you, my fellow Christian Democrats, and I know I can count on thousands of other Panamanians who, although they are not Christian Democrats, share our values, attitudes and dreams, and are eager for action and work.

I know that I can count on the exceptional woman who is at my side, who has been with me for 30 years of my life. [applause] From her, I take the pledge to recognize the equality of Panamanian women, especially in the area of labor. If they can achieve equality in the area of labor, they will also achieve equality in the home and community. I want to make a government for Panamanian women. [applause]. I also know that I can count on my children: Maria Teresa, Guillermo Peter, Angeles, Martin, and Ignacio.

The people know very little about politicians' families. My family has been at my side throughout these years. They have suffered the consequences of having a politician for a father; a father who was not there at crucial times because he was giving himself to the people in the noble politics of Christian democracy. [applause] I wish to render to my wife and children a testimonial that comes from the bottom of my heart, because for me my wife represents women's demands for equality, and my children represent the demands of youths, who are asking for more and better opportunities. I will devote my presidency to these two issues. [applause]

Throughout all of these years they have never asked me for special privileges, they have never asked me for positions. The only positions they have occupied are those of ordinary members of the party. They have worked with the party's youth and women. I feel proud of a family that is, in my opinion, an ideal Panamanian family. A family of people who dearly love each other and give of themselves to others. This is what I want for Panama: A Panama that will love itself, and Panamanians who will love and serve each other, but with lucidity and wisdom, looking toward the future and freeing themselves of the past.

To this I will devote the presidential candidacy I am accepting today, fully aware of the responsibility it represents. Let us go out and fight together. [applause] Let us go out and fight together for Panama and for the Panamanian people. Long live Panama! [crowd responds: "Long live Panama!"] Long live the green star! [crowd responds: "Long live the green star!"] I thank you all very much. [applause]

Blades: Party Not To Negotiate Presidential Candidate

PA2211232593 Panama City LA PRENSA in Spanish 21 Nov 93 p 1

[Report by Sandra Rivera]

[Text] David, Chiriqui—Panamanian salsa singer Ruben Blades has said his Papa Egoro Party will not negotiate the head of the presidential ticket should it manage to forge an alliance with other political parties to participate in the May 1994 elections.

Blades, the founder of the party, said that the only condition his party will make, should it strike an alliance with other parties, is that it will not accept a presidential candidate other than its own. He did not disclose the name of the possible candidate, but everything seems to indicates it will be him.

Blades said, "We are not going to let anyone ask us to occupy the second or third position because every poll conducted so far shows that everyone is talking about the Papa Egoro Party on the streets." Papa Egoro is among the country's newest parties and its founder will announce the presidential candidate on 28 November. It will then present, as part of its activities, draft proposals containing popular demands compiled during a national consultation, Blades said in Chiriqui.

He underscored that his party will accept no alliances with any traditional party because, according to him, traditional parties only elicit rejection. Therefore, the Papa Egoro Party will meet only with recently organized parties, because his party will propose alternatives with a new direction. "Our alliance would look after national interest, and it would not be to divide the pie," he pointed out.

As for his absence from the country, he said the fact that he was away for a few years does not mean he is uninformed and much less that he is unqualified because willingness to serve is the thing that matters. Blades pointed out that some people have lived in Panama their entire lives but still do not know it. He cited President Guillermo Endara as an example. Does the president know the reality in Chiriqui, Veraguas, Tole, and so on? He does not because the country does not have a school for training presidents, he added.

He revealed that so far he has received technical aid, advice, and "intelligence" support from several groups

and countries, including Harvard University, Puerto Rico, Venezuela, Argentina, and Colombia.

When asked for his opinion on the Endara administration, Blades said that the 1989 campaign, which led to the election of this government, was similar to that of 1968, which he described as the "dirtiest" the Republic has ever seen. He added that this is an "inoperative" government. Blades said, "President Endara's legitimacy is so low that he has lost the people's support."

Former Comptroller General Comments on Privatization

PA2211233493 Panama City LA PRENSA in Spanish in Spanish 22 Nov 93 p 5

[Report by David Aparicio]

[Text] David (Chiriqui)—Former Comptroller General Ruben Dario Carles stated in this province that the privatization program is justified, but that "it is failing because of mere political maneuvering."

Carles stated that the program is fair and necessary for the country's economy, "but unfortunately several politicians only see it as an opportunity to accomplish their political objectives." The entire privatization program has become dilatory and bureaucratic simply to slowdown the negotiations and prevent them from being completed, Carles warned. He added that an example of this is the privatization of Citricos de Chiriqui which, just when the government believed it was completed, the National Assembly proceeded to approve a bill which set everything back. In addition, the National Assembly demanded the entire negotiation be started over. "That is when the bidder decided to withdraw," Carles pointed out.

Carles indicated the state has many enterprises that must be privatized because they only entail losses to the treasury. As an example he mentioned the Chiriqui Federation of Rice Growers (Fedachi), which was sequestered several years ago by the BDA [Agricultural Development Bank], is currently in very poor condition and the government has to continue paying personnel to safeguard the place.

According to Carles, the state companies that must be privatized include IMA [Agriculture and Livestock Marketing Institute], Citricos de Chiriqui, Cemento Bayano, and others which once privatized will change from government liabilities into private investments.

On the other hand, Carles pointed out that Panama needs greater foreign investment to strengthen its economy, which could be accomplished by renegotiating the permanence of the U.S. military bases in Panama after the year 2000. He stated that he is sure the idea of renegotiating the military bases has "many supporters ... the problem lies in that they are afraid of saying it openly." He recalled that now that the complete implementation of the Torrijos-Carter Treaty draws near, Panama has an advantage over the United States.

PTJ, Customs Confirm 10 Nov Operation To Stop Drug Shipment

PA2311003893 Panama City LA PRENSA in Spanish 19 Nov 93 p 1

[Report by Manuel Alvarez Cedeno]

[Text] The PTJ [Judicial Technical Police] and the General Customs Directorate confirmed yesterday that their organizations had carried out a search operation on 10 November to intercept four vehicles allegedly belonging to legislators, which were believed to be attempting to smuggle drugs into Costa Rica. Also, Attorney General Jorge Valdes announced he would initiate an investigation "within the next 24 hours" to determine who leaked documents on the search operation to LA PRENSA, adding that he might press charges of illegal removal of public documents and crimes against public administration. LA PRENSA had published a report based on two letters sent by customs officials to their superiors giving details of the operation.

Valdes also said the only drug-related investigation involving legislators now under way by the Attorney General's Office is the one on PALA [Labor Party] legislator Anel Ramirez. This lawmaker is currently being held in Miami. He is accused of taking part in a plan to smuggle 150 kg of cocaine into the United States.

Yesterday, PTJ Director Jaime Abad, Customs Director Mario de la Ossa, Valdes, Government Minister Juan Chevalier, Deputy Finance Minister Jaime Ferandez, Media Director Gilberto Pitti, and Prosecutor Adolfo Montero appeared before the National Assembly Credentials Commission to discuss the issue. Abad and Ossa admitted the operation had taken place. They added, however, that they never said vehicles belonging to several legislators had been involved and that they had not ordered the suspension of the search operation. According to the customs report, the search operation started at approximately 1300 and was suspended at 1545 "following orders from above."

Abad reported that on 10 November he received a report from Chiriqui on an anonymous call reporting an alleged attempt to move drugs. Based on this call, Abad said he contacted the PTJ in Chiriqui to carry out a surveillance operation. He also said he had called former Customs Director Rodrigo Arosemena to get the telephone number of new Customs Director de la Ossa to tell him what was happening and to coordinate the operation.

Before the officials started testifying to the commission, Chevalier asserted: "We do not investigate newspapers, because we have absolute respect for the freedom of expression and the media." He added, "We also respect a publication's right to withhold the name of a source."

Meanwhile, de la Ossa said he believed "excitement had been aroused for something that, in the end, was baseless." He added: "Customs gave support to an operation. Later, nothing happened and we ended our cooperation." De la Ossa reported there is an ongoing investigation to determine "how customs reports with false information were released."

Abad also maintained that after LA PRENSA published the report, the PTJ officials who headed the operation had been asked to draw up a report to determine whether one of them had ordered the suspension of the operation. He added that the newspaper had published the information "with malicious intentions." Abad reported that the anonymous caller had reported that the vehicles belonged to legislators. Sometimes, he explained, such calls turn out to be false. Abad asserted "it is totally false and ill-intended" to say the PTJ ordered the suspension of the operation.

PRD [Revolutionary Democratic Party] legislator Alberto Aleman pointed out: "It is distressing to see that no one is responsible now. This action cannot go unpunished. The culprits must come out of the PTJ and customs so they can be punished because we cannot allow them to attack the dignity of the assembly."

PDC [Christian Democratic Party] legislator Gloria Moreno maintained that the anonymous report "has caused a national and international scandal." She warned, "An investigation must be made to find the person who took the document so the weight of the law can fall on him." Moreno added, "I personally accuse LA PRENSA of turning from a serious newspaper into a sensationalistic one."

Balbina Herrera of the PRD said the newspaper was not to blame, "but rather the mouse in the house (in the assembly) who supplied the false information." National Assembly President Arturo Vallarino said those people who leaked the "false report" to the newspaper apparently intended to damage the assembly's image.

'Neighbors Meeting' Ends; 3 Agreements Signed

PA2311130193 Panama City EL PANAMA AMERICA in Spanish 20 Nov 93 p 1a

[Report by Carlos Anel Cordero]

[Text] The third Colombian-Panamanian Neighbors Meeting ended in Panama City yesterday with the signing of three bilateral agreements and other commitments. The representatives of both governments signed agreements on legal assistance and judicial cooperation on criminal issues, mutual assistance in fighting illegal drug-trafficking activities, and on preventing the illegal use of precursors and other chemicals used to process drugs.

Noemi Sanin and Jose Raul Mulino, the Colombian and Panamanian foreign ministers, signed the agreements along with Gustavo Gaviria Gonzalez and Ricardo Aleman, the Neighbors Commission presidents in both countries. After signing the agreements, Colombian Foreign Minister Noemi Sanin stated that both governments have realized "we cannot make it alone and will only perpetuate the poverty and backwardness of our peasants if we continue on our own." The Colombian official added: "It is best to unite to be able to achieve development in both our countries. We must show solidarity and understand that we have the same problems. If we do this, it will be easier to progress."

The officials also signed commitments to work to reach agreements in the near future on trade, health, tourism, education, communications, and police activities. For his part, Panamanian Foreign Minister Jose Raul Mulino said the signing of the agreements showed that the integration process is progressing and will be settled very soon. The next Colombian-Panamanian Neighbors Meeting will be held in Medellin, Colombia, in the coming months.

The ministers sent a letter to IDB [Inter-American Development Bank] President Enrique Iglesias requesting financial assistance to continue the environmental impact studies on the project to open the Darien Gap. The road will join the entire American Continent, from Alaska to Patagonia, by land.

Despite Colombia's interest in the project, the Panamanian Government has not made a final decision on it up to now, precisely due to its environmental impact on the area and the threat of diseases, such as hoof-and-mouth disease, entering our territory and the rest of Central America.

According to Panamanian officials, the isthmian government is interested in solving problems related to undocumented people, drug trafficking, and other illegal activities in the area. To improve this situation, the Panamanian Public Force also signed several commitments to coordinate actions to counter those illegal actions.

Argentina

President Menem Leaves for Europe 22 Nov

PY2211194793 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 22 Nov 93

[Report by Silvina Martinez Porta from Ezeiza International Airport]

[Excerpt] President Carlos Menem left at noon today for Europe in a tour that will take him outside our country for 13 days.

In addition to his children Zulema and Carlos Jr., the head of state is accompanied by Foreign Minister Guido Di Tella, [Buenos Aires Province] Governor Eduardo Duhalde, Army Chief of Staff Martin Balza, Trade and Investments Secretary Carlos Sanchez, Senators Felipe Sapag and Ricardo Granda, Deputy Nicolas Garay, Presidential Staff Coordinator General Munir Menem, Menem's personal doctor Alejandro Feli, Menem's private secretary Ramon Hernandez, and as special guests Armando Gostanian, president of the mint, Mario Falac, Diego Ibanez, Guillermo Alchouron, and Eva Gatica. [passage omitted]

Vice Minister Says UK Relations 'Advancing Positively'

PY2211205293 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 22 Nov 93

[Text] Vice Foreign Minister Fernando Petrella has stressed that Argentine-British relations are advancing positively. He pointed out that success in these relations has been prompted by rapprochement, dialogue, and mutual understanding.

The vice foreign minister emphasized that the reestablishment of relations with the United Kingdom has allowed our country to reach an agreement with the EEC and reactivate cooperation. He added that the most significant areas of agreement are participation in peace missions, disarmament, nuclear development, and the championing of democratic systems in the world.

Moving on, Vice Foreign Minister Petrella said: The fact that the U.S. Government has declared us eligible is very important, because this means we will be able to purchase military equipment from that country.

Joint Excercises With Brazilian, U.S. Navies Scheduled

PY2211183993 Buenos Aires LA PRENSA in Spanish 21 Nov 93 Section 1 p 4

[Text] The Argentine and Brazilian Navies will carry out joint exercises in the South Atlantic between 23 and 29 November. Afterward, the Argentine and U.S. Navies will carry out joint exercises between 8 and 16 December within the framework of an integration process aimed at achieving the two Navies' interoperability.

The joint exercises with the Brazilian Navy will be carried out in Argentine territorial waters, with the participation of warships such as the aircraft carrier "Minas Gerais" and destroyer "Mariz e Barro" that make up the Brazilian task force under the command of Rear Admiral Jose Acioli Frigelli.

The Argentine task force, made up of the corvette [as published] "Parker," Super Entendard aircraft, Tracker aircraft for antisubmarine warfare, and Sea King helicopters, will be under the command of Ship of the line Captain Julio Cavarrubias.

For the December exercises with the U.S. Navy, which will send a task force made up of a Viking aircraft squadron, Argentina will supply the corvette "Parker," the submarine "Santa Cruz," and antisubmarine ships from the [Comandante] Espora Naval [Air] Base.

Brazil

Central Bank Sells 650 Million Short-Term Certificates

PY2211181693 Rio de Janeiro O GLOBO in Portuguese 17 Nov 93 p 21

[Text] After its failure in selling the Central Bank Certificates [BBC] with a 28-day term, the Central Bank [BC] yesterday succeeded in selling all the 650 million short-term certificates offered to the financial institutions. These certificates, which become due on 15 December, were sold at 45.58 percent rates, slightly above what the market expected on 15 November because, according to experts, the BC frustrated the expected drop in the cost of money in the overnight [preceding word in English] market. In addition to the 28-day term papers, the institutions purchased 350 million 35-day term BBCs with a 45.387 percent rate.

Instead of reducing the nominal rates, as some experts expected, the BC maintained the interest rates high, borrowed money with a 49.15-percent interest rate, and then lent it with a 49.16 percent interest rate. This operation exerted pressure on the 28-day term papers. Despite the sale of one billion BBCs, equivalent to 720.3 billion real cruzeiros, the market still has too much money. This will force the BC to withdraw money from the market to reduce the system's liquidity.

The Bank Deposit Certificates issued yesterday with a 30-day term, were negotiated with an annual rate of 5.230. This ensures a 39.28-percent gross profit in the period and a 45.52 percent interest rate in the overnight [preceding word in English] market operations. On 12 November, the profit was 45.78 percent.

The dollar in the parallel exchange market was sold for 203 real cruzeiros, which represents a 1.5 percent increase. The commercial dollar was sold for 202.81 real cruzeiros, which the BC decided to pay for the currency in the only purchase auction in the day. As a result, the difference between the parallel and commercial

exchange rate totalled only 0.09 percent. The dollar in the fluctuating rate market (tourism-dollar) was sold for 206.30 real cruzeiros, 1.7 percent higher than the other rates. Gold was sold for 2,473 real cruzeiros per gram, having thus gone up 2.19 percent.

Industry Minister Announces $2 Billion Accord With Russia

PY2211164493 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Nov 93 p B7

[Article by Wanise Ferreira]

[Text] Industry and Commerce Minister Jose Eduardo de Andrade Vieira visited the Fiesp [Sao Paulo State Federation of Industries] headquarters to disclose the terms of the bilateral trade agreement with Russia amounting to $2 billion. Minister Andrade Vieira, who will travel to Moscow at the end of the month, has invited Sao Paulo businessmen interested in doing business with Russia, to accompany him. According to the minister, the Russians are interested in goods from various sectors, namely foodstuff and capital goods.

The minister denied that Brazil is mainly interested in purchasing weapons. He confessed, however, that the military are very interested in equipment, such as helicopters, and the Navy is interested in ships for research purposes. He commented: "The Armed Forces want scientific and technological products." According to Andrade Vieira, this agreement is the first step toward strengthening Brazilian trade with Eastern Europe.

The Russians are very interested in Brazilian instant coffee that, in past years, represented a good deal between the two countries. According to Andrade Vieira, the sales will be made by private enterprises and the government coffee supplies will not be sold.

The Bank of Brazil will finance the operations between the two countries although the participation of the private banking sector will also be encouraged. So far, according to J. M. Pioner, Bank of Brazil assistant for international affairs, little has been done by the financial institutions of the two countries to, reciprocally, offer credit lines to the business sector. Only last week a contract with a Russian bank that is a holding of international saving banks was signed.

Compulsory Deposit on Foreign Currency May Be Created

PY2211181293 Rio de Janeiro O GLOBO in Portuguese 20 Nov 93 p 26

[From the "Economic Panorama" column by Miriam Leitao]

[Text] The Finance Ministry is studying the possibility of creating a compulsory deposit to be made on foreign resources admitted into the country. The dollars will be kept in the Central Bank for some time. The amount of time, however, still has not been decided upon. These deposits will yield low interest until they are applied in other assets.

Similar measures have been adopted in Argentina and Chile to control excessive foreign investment. A financial market expert believes that such a measure, which was implemented in Brazil some years ago, would only make sense if implemented when an economic plan is about to be announced.

The government discussed the adoption of this measure because many are convinced that an excessive economic liquidity is a consequence not of a cash deficit, as Deputy Delfim Netto recently warned Finance Minister Fernando Henrique Cardoso, but of excessive admittance of foreign resources.

The measure under study signifies an important change in the exchange and monetary policies, and a review of the diagnosis defended by the Monetary Policy Secretary Francisco Pinto, whose imminent resignation was intensely rumored all day yesterday.

New Price Index To Be Proposed by Economic Team

PY2211184393 Rio de Janeiro O GLOBO in Portuguese 20 Nov 93 p 27

[Text] Sao Paulo—After implementing the fiscal readjustment, the government will create a new, single official price index, the account unit [Unidade de Conta—UC], and will adopt a strong currency supported by gold or a basket of international currencies. This has been reported in Sao Paulo by foreign debt negotiator Andre Lara Resende and confirmed early in the afternoon by Finance Minister Fernando Henrique Cardoso, who held a meeting with Brazilian and Argentine businessmen in Campinas [Sao Paulo State].

Cardoso said: Lara Resende spoke on my behalf. To defeat inflation we need a stable currency and the first step toward that is the fiscal readjusment.

The minister pointed out that the current priority is to reorganize a well-balanced budget for 1994. In his opinion, it is essential to adjust public accounts, otherwise it will be impossible to adopt other anti-inflation measures.

After the adjustment, we will be able to begin discussing the index issue, to unify prices, and to have a currency supported by an equivalent of its value in gold or foreign currency to make it stable. This process, however, will be gradual because President Franco is not the one who wanted to defeat inflation with a single bullet.

In Lara Resende's opinion, the new currency will have to be supported by real assets—gold, foreign currency, or even shares of first line state-owned companies to be privatized—to recover the economic agents' confidence, because "they no longer believe in economic team's good intentions to control public expenditures."

In the first stage, it will be better to give up certain degrees of flexibility, particularly in conducting the monetary and exchange policies, Lara Resende added.

Regarding the UC, Minister Cardoso did not reveal whether the new index will be related to the exchange rate or have a monthly reducing index to force the inflation down. According to Lara Resende, however, prefixation and desindexation will not be part of the economic team plan. He added, nonetheless, that the inflationary inertia must be overcome.

We must allow private contracts to be based on an account unit with a smaller retroactivity degree, he said. He added that the government discards any sort of contract based on the current inflation indexes.

Minister Cardoso also confirmed that the possibility of allowing businessmen to open bank accounts in dollars to facilitate import and export operations is being studied. The idea is to eliminate the Central Bank's obligation to purchase export dollars, which reflects on the issuance of money and public certificates.

Political Expert on Economic Integration, Possible 'Crisis'

PY2211225893 Buenos Aires PAGINA/12 in Spanish 21 Nov 93 p 22

[Interview with "Brazilian political expert" Helio Jaguaribe by Martin Granovsky; place and date not given]

[Text] [Granovsky] Individuals who feel strongly that Argentina should leave Mercosur [Common Market of the South] and try to join NAFTA say: "Let us associate ourselves with a healthy North America; let us avoid contamination with a wounded Brazil." Do you think that will be the right thing to do?

[Jaguaribe] The basic issue is not Brazil but the question: What level of inequality would be acceptable for association with a superpower? An Asian country would not be hurt, as it would gain a greater market for its products. But for a country with industrial aspirations, such as Argentina, that association would mean an end to those aspirations. In such a case, Argentina would remain an agricultural society. Argentina's industrial future lies in a regional association with Brazil. Besides, neither one of the two countries has an overwhelming competitive edge over the other. In some areas Argentina is more competitive, while other areas Brazil is more competitive.

[Granovsky] If it wanted to, could Argentina join NAFTA?

[Jaguaribe] It could, after a very long period of time. Mercosur, on the other hand, is happening now.

[Granovsky] How bad are Brazil's wounds?

[Jaguaribe] The metaphor is correct when applied to Brazilian politics. It is not a very good one if we talk about the economy. The Brazilian economy is not wounded. On the contrary, it has undeniable dynamism. It is able to survive with a 30 percent yearly [as published] inflation rate. It can produce monthly trade surpluses of $2 billion. It has a greater exporting capacity than the United States, comparing the relative size of their economies. The United States maintains a foreign trade deficit. We maintain a surplus. I admit that Brazil is wounded at the institutional level. Brazil is going through two types of crises: an institutional crisis, and a social crisis. Our society has a nonviable profile. A total of 40 percent of the people belong to the modern world, and 60 percent to Afro-Asian societies. At this time there is, at last, a national willingness to resolve this problem, but it is necessary to overcome the current institutional deadlock, which is reflected in the inflation rate. The current Constitution transferred 40 percent of all federal revenues to states and municipalities, leaving all obligations on the federal government's shoulders. The accounting cannot be balanced that way, and we must decentralize services, just as Finance Minister Fernando Henrique Cardoso wants. If these issues are not resolved for the 1994 fiscal year we will be faced with a stormy future, will be running the risk of an explosive social crisis, and the problem will only be transferred to 1995, to the new government that will replace Franco.

[Granovsky] What can happen if Brazil ends up having hyperinflation?

[Jaguaribe] We will witness an explosion.

[Granovsky] Social or political?

[Jaguaribe] Anything could happen. Hyperinflation would produce the rapid incapacity of the masses to feed themselves.

[Granovsky] But that is happening now.

[Jaguaribe] At present people are eating a miserable diet, but they are eating something. I am talking about the total incapacity to buy food. There are different kinds of hunger. Hyperinflation attacks the capacity to survive. In a very short time we would have attacks on supermarkets and middle class homes. It would be an explosion that normal police forces would not be able to contain. People would ask for Armed Forces intervention. And the Armed Forces would step in and control chaos by executing a few. Then the military would say: "Well, now we will make a viable country and prevent it from becoming chaotic again, now that we have brought order to it."

[Granovsky] Is there a real risk of hyperinflation?

[Jaguaribe] The economy is not moving toward hyperinflation, as I said before. But it all depends on what is done in the coming month and a half or so to improve the 1994 fiscal year. If measures to improve the situation are not adopted the local economic agents will prepare for hyperinflation, which might come early next year, by brutally marking prices up in order to have a big enough cushion to defend their businesses. That by itself could

produce hyperinflation for the period February-May. It could also happen that the negative expectations will not force large prices markups. In that case the crisis would be serious, but not explosive.

Army Minister Urges Removal of 'Dishonest' Congressmen

PY2211195193 Rio de Janeiro O GLOBO in Portuguese 20 Nov 93 p 8

[Text] Brasilia—A ceremony was held at the Army Club yesterday to hand out the "Peacemaker's Medal." During the ceremony Army Minister General Zenildo de Lucena defended the removal of all dishonest and unfit congressmen. Gen. Lucena hopes that, as a result of the Congressional Investigating Committee [CPI] investigation into the budget mafia activities, the same sort of corporativism that prevails among the military will also prevail at the national Congress.

Our corporativism aims mostly at eliminating from the institution those who stain its image. I believe, therefore, that this is what corporativism at Congress must also mean, the general said.

Lucena and Admiral Arnaldo Leite Pereira, chief of the Joint Staff, believe that deputies and senators proven responsible for the irregular allocation of public funds will be punished by the CPI that is looking into the budget mafia.

We hope everything comes out all right, that our honest men, the men who have self-respect and pride, will remove from Congress the dishonest and unfit congressmen, particularly the dishonest ones. If someone is proven guilty, I believe he or she will be punished. I believe in honest congressmen, the Army minister said.

As all other Brazilians, I hope this CPI succeeds in identifying those responsible for the irregularities and in punishing them, Adm. Leite Pereira said.

The two officials believe that the corruption charges involving congressmen do not threaten democracy. According to Gen. Lucena, democracy must be practiced to be improved. Adm. Pereira said that if the budget CPI deeply investigates the charges, it will make Brazilian democracy stronger.

General Gilberto Serra, head of the Army Social Communications Center, said that the military are accompanying the work of the budget CPI with a democratic spirit.

Chile

Government 'Concern' Over Relations With U.S. 'Justified'

PY2211234293 Santiago LA TERCERA DE LA HORA in Spanish 13 Nov 93 p 3

[Editorial: "Relations With the United States"]

[Text] The concern expressed by the government over our country's relations with the United States is justified, and so the comment made by the minister secretary general of government, who said that relations have given "not exactly satisfactory results," is not surprising.

This issue has demanded a high level of attention as a result of the U.S. Government's decision to reduce the number of flights of Chilean airlines to the United States. This decision, based on a complex negotiation and not less complicated binational agreements because of the necessary technical aspects involved, can still be called off. This situation shows, however, the obstructionist position of the U.S. Government and companies. This situation can also be seen in other aspects of bilateral relations, which do not agree with the position taken by our country nor go along with the principles of reciprocity which are essential at the international level.

Because of the special relevance of all our contacts with the United States, the current situation should be evaluated with calmness and without haste, so to avoid throwing more fuel on the fire, and with thoughtfulness, which have been the characteristics of our foreign policy. This position should not, however, be confused with an attitude of weakness, as the well-established U.S. attitude of imposing its conditions to the detriment of the legitimate interests and rights of other nations is not unheard of.

Furthermore, recent events such as the delay in excluding Chile from the Kennedy Amendment, or in including it in the tariff system of preferences, or the U.S. refusal to assume responsibility in the case of the poisoned grapes, or the various protectionist measures which have affected our exports, reaffirm the need to act in this regard without an inferiority complex and with the confidence of reason.

It also seems necessary to strengthen Chilean contacts with the other nations affected by similar discriminations, especially with Latin American countries, to establish joint mechanisms that would give greater strength to the defense of our position. Participation in multinational meetings, and resorting to the various agreements involving Chile and the United States, are paths that should be followed when the situation is not favorable to our country and represents a risk to its vigorous process of economic growth.

It seems that the mentioned objectives are the result of the government diagnosis of the current state of relations with the United States, which leads to the assumption that the current situation will be faced with the necessary tranquility, but also with the necessary energy.

Colombia

Navarro Wolff Reaffirms Statements About Venezuelan Guard

PA2211233593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Nov 93

[From the "24 Hours" newscast]

[Text] In Pasto, Antonio Navarro Wolff, the presidential nominee for the 19 April Movement Democratic Alliance [AD/M-19], reaffirmed his statement: The Venezuelan National Guard is charging Colombians to nationalize them as Venezuelans. Wilson Barco has this report.

[Begin recording] [Barco] We are here now with AD/M-19 Presidential Nominee Antonio Navarro Wolff. Mr. Navarro Wolff, what is your reaction to the Venezuelan Defense Ministry's decision to file charges against you?

[Navarro Wolff] Regarding the commander of the Venezuelan National Guard, I reaffirm what I said: It is true that Colombians are being charged 40,000 bolivares to legalize their situation in bordering states. It is true that if a Colombian should have any problems with his or her papers at the Venezuelan border checkpoints, they are charged 1,000, 2,000, or 3,000 bolivares to get through. I know this to be true because at least 100 people told me so in Venezuela, both Venezuelans and Colombians. Everyone knows it is true. All I did was tell this to a radio station here, and the commander of the Venezuelan National Guard simply overreacted. Instead of getting angry, I believe he should open an investigation to confirm whether what I have said is true. He should confirm if there are in fact any members of his armed institution involved in such behavior, especially in a country that is fighting corruption. [end recording]

Foreign Minister Cited on Wolff-Venezuelan Guard Dispute

PA2211225193 Madrid EFE in Spanish 2031 GMT 20 Nov 93

[Text] Santa Fe de Bogota, 20 Nov (EFE)—Colombian Foreign Minister Noemi Sanin asked today, Saturday, in Panama City, for "mutual good sense" in statements and charges being made by people in Colombia and Venezuela to avoid damaging relations. Sanin made these statements during a telephone interview with the "Caracol" radio station, which she requested not be taped, when she referred to charges and accusations between Colombian presidential candidate Antonio Navarro Wolff and General Pedro Romero Farias, the commander of the Venezuelan National Guard.

Navarro Wolff, the presidential candidate for the 19 April Movement Democratic Alliance (AD/M-19), reported that Venezuelan National Guard members had allegedly bribed unidentified Colombians. Gen. Romero Farias, the commander of the Venezuelan National Guard responded by saying Navarro Wolff was a "criminal," and he warned "he would be arrested and brought to trial" if he enters Venezuela.

Foreign Minister Sanin said she would study the events with Venezuelan authorities, and she emphasized that the controversy should not be used "for electoral purposes." Moreover, Sanin trusts that the controversy will not cloud relations or the integration work being carried out by the governments in Santa Fe de Bogota and Caracas.

The controversy between Navarro Wolff and the Venezuelan military officer has had opponents, supporters, and accusers in both countries. Venezuelan Deputy Hilarion Cardozo, president of the Social Christian Party (Copei) and member of the Neighborhood Commission, said Navarro Wolff "got carried away" and that is why the National Guard chief's reaction "is legitimate." According to Cardozo, the Colombian AD/M-19 leader "must explain" that he did not try to offend the National Guard as an institution "and must point to a specific case." In Colombia, presidential candidate Miguel Maza Marquez, retired general and former director of the secret police, said Romero Farias reacted "too hastily." Maza Marquez said that before making these type of statements, "an investigation should have been ordered to determine if Navarro Wolff was telling the truth."

Government Minister Blames CNGSB for Tense Uraba Situation

PA2311044993 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 22 Nov 93

[From the "National" newscast]

[Text] A few minutes ago, Government Minister Fabio Villegas accused the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] of the current tense situation in Uraba following the murder of several Hope, Peace, and Liberty members this past weekend. The government has called a special extraordinary security council meeting in the area for tomorrow.

[Begin recording] [Unidentified reporter] Today, nine members of the Hope, Peace, and Liberty Movement were murdered in the Uraba region, thus increasing to 70 the number of demobilized National Liberation Army members who have been killed in November. The government knows clearly who is responsible for these murders in the Uraba region.

[Villegas] For some time now, we have been denouncing these activities by subversive groups and the CNGSB, which are in an absurd and reprehensible attitude of intolerance attacking those who have decided to surrender their weapons in that region.

[Unidentified reporter] Tomorrow Jose Noe Rios, the special adviser for Uraba, will preside over a special meeting to adopt new mechanisms to protect the lives of the demobilized fighters. [end recording]

Poll Reveals Andres Pastrana Leads Presidential Race

PA2211222293 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 21 Nov 93

[From the "TV Today" newscast]

[Text] Andres Pastrana would win the first and second rounds if elections were held today, according to a poll published by CROMOS magazine and conducted by the National Consulting Center in the country's five largest cities between 10 and 11 November.

When asked what presidential candidate they prefer for the Liberal Party, the result is as follows: Ernesto Samper 45.5 percent; Humberto De La Calle 11.8 percent; Carlos Lemos Simmonds 8.1 percent; none 16.2 percent. The preferences in the Conservative Party are: Andres Pastrana 60.4 percent; Jaramillo 5 percent; (Jerlein) 4.2 percent, and none 20.2 percent.

If the election were held today, for whom would you vote? Of those polled, 37 percent said they would vote for Andres Pastrana; 36.5 percent for Samper; 18.2 percent for Navarro Wolff, 6.8 percent none.

If the elections were held among the following candidates, who would you vote for: Andres Pastrana 36.5 percent; Samper 29.3 percent; Navarro Wolff 14.5 percent; Maza 6.7 percent; Parejo 5.1 percent; none 4.8 percent.

In a second round of elections between Andres Pastrana and Antonio Navarro Wolf the result would be: Andres Pastrana 60.5 percent; Navarro 24.2 percent; none 13 percent. In a second round of elections between Andres Pastrana and Ernesto Samper, 45.4 percent of those polled said they would vote for Andres Pastrana, 41.4 percent would vote for Samper, and 12.1 would vote for none.

Country Signs Counternarcotics Agreement With Panama

PA2211132693 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0130 GMT 22 Nov 93

[From the "TV Today" newscast]

[Text] Colombia and Panama today reached important agreements whereby drug traffickers' properties and monies will be seized. The two countries will also cooperate to immobilize and confiscate precursor chemicals.

Just as they have done with the United States and Britain, Colombia, and Panama will help each other locate drug traffickers' monies and properties. Both countries' authorities will exchange evidence and information to disrupt the powerful international financial network that is one of the leading sources of support for illicit drug trafficking. Justice Minister Andres Gonzalez Diaz addressed the issue.

[Begin Gonzalez recording] We will share those properties among the countries in accordance with the agreements reached in each case, thus stimulating international legal cooperation. [end recording]

The Colombian-Panamanian agreement also strictly controls the sale of chemical substances to prevent them from being used to produce narcotics.

[Begin Gonzalez recording] We must establish a list of products that will be subject to control. Special permits will be required to purchase them, and most important of all, their destination will be verified. [end recording]

In addition to the struggle against drug trafficking, the Colombian and Panamanian Governments also signed an agreement to repatriate individuals who travel from one side of the border to the other to evade the laws of either country.

* Labor Minister on Social Security Reform Bill

94SM0098A Santa Fe de Bogota EL ESPECTADOR in Spanish 31 Oct 93 p C1

[Interview with Labor Minister Luis Fernando Ramirez, by Gilda Sarmiento, in Santa Fe de Bogota; date not given]

[Text] The reform of social security is now to be added to amendments made over 103 years of constitutional history. It is described by Labor Minister Luis Fernando Ramirez as the most important reform negotiated during the past 50 years, "because it will bring a structural change in society." Is it another reform that will change history?

Both hated and admired, the labor minister, Luis Fernando Ramirez, will go down in history as the one responsible for the transformation of social security in Colombia.

His argument is that this is the most important reform in the past 50 years, because it will bring a structural change in society. He claims that, although it entails curtailing privileges, it cannot be bad if it benefits 80 percent of Colombians.

The minister held a dialogue with EL ESPECTADOR regarding the controversial bill, which to many symbolizes privatization of the pensions and health care that have now become a business of the financial sector.

[Sarmiento] What can Colombians, especially the younger ones, expect from the reform?

[Ramirez] When we claim that this reform is perhaps the most important negotiated by the government during the past 50 years, we are not exaggerating, because it will bring a structural change. If we achieve the expansion of coverage, which is the main challenge, the 80 percent of Colombians excluded from social security will become more equitably integrated into the society.

[Sarmiento] Do you believe that it was intended to increase contributions and reduce pensions?

[Ramirez] Although it certainly could mean some cuts in benefits, especially for the classes that already have privileges, which is what has made the reform difficult to negotiate, I believe without the slightest doubt that the reform is highly progressive from that standpoint. It has been devised for the people without social security, and

could hardly be bad for that 80 percent lacking social security, because nothing could be worse than what is happening to them now.

[Sarmiento] Business owners equate it with a tax reform.

[Ramirez] The reform certainly has some effects very similar to those of a tax reform, in terms of increased contributions, and the similarity to a tax reform has also made it difficult. It has the effect of a financial reform of very large proportions, to the extent that all the social security reserves and pension funds during the next decade will total over $12 billion. They will increase the savings rate, and become a source of financing. Most of all, the reform will produce an enormous revolution that we Colombians have always sought: namely, the democratization of business firms' equity capital. This will occur because, as the owners of the pension funds become the workers, they will constitute the largest institutional investors, and will be the strongest competitors of the large economic groups. In the future, 70 or 80 percent of business firms will be pension fund owners, as is the case in the United States and many other developed countries. For all these reasons, I consider it a reform that will have an impact on this and future generations. It will bring a substantial change in public finances, and in the conduct of private finances, improving the internal savings in the economy. When viewed over the medium and long term, as it stimulates investment it will generate more employment and growth, which are the most significant by-products of this reform.

[Sarmiento] Why is there so much haste to achieve the law? Is it a desire to go down in history?

[Ramirez] In the case of this reform we have acted without haste, but also without letup. We have spent over a year debating it, and our eagerness is due to the fact that every day that passes with more Colombians lacking social security is another day impeding the country's progress and its people's prosperity.

[Sarmiento] Aren't you afraid that the increase in contributions, especially for business owners, may hurt employment?

[Ramirez] The increased contributions will unquestionably have a short-term effect, probably a marginal one, on inflation, growth, and employment. Nevertheless, we have found that, even over the short term, as we expand health care coverage, for example, more physicians, more nurses, and more people working in hospitals will be required. It will probably displace a few jobs, as a result of the increase in contributions, but it will generate far more jobs, especially for skilled labor. Therefore, the effect on employment could prove quite marginal.

[Sarmiento] The workers think that you are promoting a reform that will worsen their situation, without any clear justification.

[Ramirez] A reform benefiting 80 percent, and likewise not benefiting the 20 who already have privileges, is a progressive reform that is advantageous for the country, because it is advantageous for the majority of Colombians but, mainly, for the most unprotected people. However, even for the 20 percent who have social security now, that right is quite relative. Look at the pensioners in the National Insurance Fund, to cite just one example. Those are people that we count as having social security, but they consider themselves very badly treated, and must wait three or four years to have their pensions released to them. That is not a good social security either. So, even for that 20 percent who already have expectations of social security, what this reform does is to raise the funds, so as to be able to guarantee their pensions. It would do no good to continue legislating and promising benefits if we did not guarantee the funds. The good thing about this reform is that it establishes the requirement for raising funds, and does not leave to the acting finance minister's discretion whether or not to issue the money making it possible to pay the pensioners.

[Sarmiento] As labor minister, don't you feel that you have betrayed the working class?

[Ramirez] I feel completely at ease and gratified to be able to represent the interests of the majority of workers, especially the group without social security. And, for the other 20 percent who already have it, this law guarantees the funds that will make it possible to pay their pensions on time when they reach retirement age.

[Sarmiento] What does the reform represent for the trade unions?

[Ramirez] The great opportunity for the labor federations to create their own pension funds, and to take advantage of the market economy to reinforce the trade unions through the expedient of a genuine popular capitalism. This reform enables them to borrow subsidized money that will come out of the budget, so that they can compete.

[Sarmiento] Is the country prepared, or is it utopian to expect total health coverage in seven years?

[Ramirez] For health, we will unquestionably have some setbacks at first, because extending the coverage to the family group will cause setbacks. Under the best circumstances, the country lacks the short-term preparation for expanding that service; but this reform provides the tools for that job. It will be an enormous challenge because, in the case of health, after this reform the problem will no longer be financial, but rather the management of the system.

[Sarmiento] In the end, who will be covered by the new system; because the impression is that many privileges will be perpetuated?

[Ramirez] There is a saying to the effect that what is perfect is the enemy of what is good. Perfection means

that there is no such thing as an exception, and that was the primary purpose of the reform. I believe that, fortunately, the debate held during the past few days has restricted the latitude for making exclusions. I think that there is an increasing awareness that we are either all in this together or all left out; and to me that seems good for this democracy. However, this requires a transition. The people with some privileges cannot have them cut off suddenly, especially when they are bound by a collective contract. The problem in this respect is not even political, but rather legal: the law can hardly change the terms of the contract. So, the reform will be applied to all Colombians; but, initially, teachers and the public forces are excluded. Among other sectors, the privileged systems called for in any law or decree will disappear. Those bound by a collective contract would remain as they stand; and, in this case, one responsibility is still left to be met by this country: The managers of those business firms must give notice of termination of the contracts, and be governed by the general law. However, for this purpose, there must be amendments.

[Sarmiento] Will the reform apply to public employees and to the Congress?

[Ramirez] Social security is a landmark law for the public sector. Consequently, based on these criteria, the government will set all the conditions for attaining the goal of giving all Colombians uniform ground rules. This will be achieved formally through the issuance of decrees implementing the landmark law for the public sector. They will be the same ones applied to the workers in the private sector.

[Sarmiento] Some doubts remain regarding the controversy over the Congress' retirement system.

[Ramirez] I think that, fortunately, it has been made clear that this decree does not favor congressmembers, and many of them have called for its repeal. They are convinced that abolishing it would be beneficial, because the previous system was more favorable. This decree is a step taken to put congressmembers on an equal footing with the other workers in the public sector. Therefore, it constitutes a preliminary step, and once the law has been passed, those acquired rights may be associated with the decree demanding more stringent terms than the extremely lax ones that existed in the previous legislation. We believe that we have had a very clearcut relationship with the Congress in this respect. The issue has been widely debated; we have not taken any underhanded action. Besides, it is a reform that has been debated by a plenary session over the longest time in history, insofar as I recall. Not even the constitutional reforms took so long; and I do not think that anyone in the country will be surprised by its approval.

[Sarmiento] What is the most important feature of this law?

[Ramirez] First, expanding the coverage, which is the greatest challenge. Second, eliminating the disorder in the existing systems, curtailing excessive privileges in some sectors, and achieving more efficiency and more equitable treatment for all Colombians. The third component, for both health and pensions, is freedom of choice for individuals; because in the past the system forced people using threats, as if they were objects. The institutions were the important thing, regardless of whether the people were well or poorly served. This law makes an enormous shift: the priority is the person, even if an institution has to be hurt. That freedom of choice, that power to change from one entity to another, is an inestimable virtue of this reform.

[Sarmiento] Nevertheless, many sectors are dissatisfied. Are you resigned too, or do you think that there is still time to make some changes?

[Ramirez] I repeat again that there are no perfect laws. And since this is a result of a democratic process, it means borrowing a little from the views of all the political movements. The majority in the Congress favor giving some advantages to certain institutions over others: in this case, social security, rather than pension funds. I do not think that this is a fear that should exist. I do not see a political environment for creating equal conditions, and I do not think that, in this reform, the Congress will make the conditions equal for competition between the funds and the ISS [Social Security Institute]. That will make the potential market for the funds much smaller, but I think that it will be just the first step. Then comes the competition and, after a few years, society will realize the virtues of those options, and both systems will be left with far more equitable conditions.

[Sarmiento] Looking at the results of those managing unemployment, could one conclude that the Congress' best decision was to establish a dual system, and not to put the workers in a risky position?

[Ramirez] In my view, it is a sensible, balanced decision. Without running risks, it allows for the existence of a reserve in the ISS and the public sector, and enables the country to begin testing how it is faring with the private and joint sector. Gradually, as society observes the results, it will not leap into the void, but rather will make the change.

[Sarmiento] Do you mean that the Congress was not mistaken when it rejected the exclusive option of the funds and demanded an overall reform?

[Ramirez] I think that the Congress has made substantial improvements in the bill; that is indisputable. And I expect the resulting law to have more balanced points than those offered by the government; although it has points that have been detrimental as well. It was our idea that a reform of pensions should be approved first, and later, one for health, because the joint negotiation would be too complicated; as, in fact, it proved to be.

[Sarmiento] What are the detrimental points?

[Ramirez] Some financial costs have been introduced, of which we did not approve. The competition between the

ISS and the funds was not left on an equal footing, and it has some additional components precluding free choice for the workers.

[Sarmiento] They accuse the minister of trying to privatize social security and to convert it into a business benefiting the financial sector.

[Ramirez] Anyone here becomes used to receiving criticism from all sides. The financial sector accuses us of being too statist, and of trying to reinforce the ISS. The trade unionists accuse us of being privatizers. So, I am very much at ease, since the criticism has come from both sides, and I would be quite worried if either of the two sectors told me that the reform was perfect. The fact that we are receiving criticism from both means that this is a very balanced reform.

[Sarmiento] Finally, is the author of the reform the Liberal Party or the New Democratic Force that you represent?

[Ramirez] This is a reform in which all the political parties have participated very actively.

[Sarmiento] Since taking office, you have received criticism. Did you imagine that being a minister would be so complicated?

[Ramirez] I knew that the great reforms, those bringing genuine changes in society, are difficult reforms; but, for that very reason, the challenge became more interesting.

[Sarmiento] Considering the criticism, have you ever felt like throwing in the towel?

[Ramirez] Never; sometimes, one can feel rather weary.

[Sarmiento] And when will you leave?

[Ramirez] I hope that it will be after this reform is approved.

[Sarmiento] How are your relations with the workers?

[Ramirez] I would call them very good. Even with the workers federations, we have reached a partial joint agreement on about 30 points in this social security reform.

[Sarmiento] But are there also some who hate you?

[Ramirez] I think that it is only one or two persons. That does not bother me. On the contrary, I have great regard for them, because that must cause them considerable irritation.

Ecuador

Press Communique Denies Defense Minister's Separation

PA2311033393 Quito Voz de los Andes in Spanish 2300 GMT 22 Nov 93

[From "The Voz Andes" newscast]

[Text] In view of the reports of the alleged separation of General Jose Gallardo from the Defense Ministry, the Presidential Palace Press Secretariat has declared that the defense minister has the absolute confidence of President Sixto Duran-Ballen.

The communique states that the confidence of the president is not only for Minister Gallardo, but is also extended to the commanders of the three branches of the Armed Forces. The communique adds that the incumbents, therefore, will continue to carry out their future ministry and military activities.

* Number of State-Run Companies Estimated

94SM0082B Quito HOY in Spanish 4 Oct 93 p 3A

[Text] The National Finance Corporation has begun the much heralded process of privatizing National Cement. Now it is announcing continuing action in regards to FERTISA [expansion not given]. Ecuatoriana de Aviacion faces the choice of privatizing or dying. The government has begun selling its assets to a variety of companies. But does anyone know the extent of government intervention in the production of goods and services in Ecuador?

The Center for Studies and Analysis [CEA] offers a rough sketch of the overall situation.

The first sector that comes under scrutiny is the military. According to the CEA, "through the Defense Ministry or DINE [Army Industries Directorate] it owns or controls 13 different concerns: four port authorities; two airlines, Ecuatoriana and TAME; two steamship companies, TRANSNAVE [expansion not given] and FLOPEC [Ecuadoran Petroleum Fleet]; three manufacturing concerns, a steel mill, a munitions plant, and FAME [expansion not given]; the Naval Shipyards; and DINE."

Electrification Institute Controls 15 Companies

Meanwhile, INECEL [Ecuadoran Institute of Electrification] has total control of the stock of 15 electric companies. Municipalities control 15 firms, most of which provide drinking water and sewer systems "although two are slaughter houses and some also run phone companies," the CEA said.

While the oil sector consists of Petroecuador and its five affiliates, the CEA noted that the government financial sector controls six big financial institutions: the Central Bank; the State Bank; the Banks of Development and

Housing; the Finance Corporation; and the Educational Credit and Scholarship Institute.

Holdings In Agriculture and Public Works

The Agriculture Ministry runs ENAC [National Enterprise for Warehousing and Marketing] (whose silos are currently on lease to private interests at more or less token rates), ENPROVIT [National Enterprise for Vital Products], the fertilizer companies, and the fruit and vegetable packing plant at Ambato. "The Public Works Ministry," says CEA, "runs the mails and the railroads while the Ministry of Industries has the National Ocean Products Company. Education has the Sports Prediction Company, and Finance has the State Supply Company."

IESS [Ecuadoran Social Security Institute] owns Guapan Cement, and CENDES [Industrial Development Center of Ecuador] owns Guaranda Industrial Park. Cotopaxi Cement belongs to the Finance Corporation, and FONADE [expansion not given] used to own FONAPRE [National Investment Feasibility Fund]. Then come the state-owned EMETEL and Guayas Province Drinking Water Company. In all, the CEA concludes, the government owns outright a total of 72 companies.

Number of State-Run Companies by Sector

Energy	Drinking Water	Business/Service	Manufacturing	Finance	Transport	Ports
21	16	12	8	6	5	4

* Energy Minister Given Oil Industry Projections

94SM0082A Quito EL COMERCIO in Spanish 6 Oct 93 p A-11

[Text] Ecuador's oil exports totalled 6.85 million barrels in September and sold at an average price of $13.334 per barrel, Francisco Acosta, minister of energy and mines, announced.

This export volume represented some $91.3 million in earnings from foreign oil sales.

The minister said mean daily production reached 351.459 barrels of crude, or 6,000 barrels more than the 345.549 barrels a day pumped in August.

According to Acosta, Petroecuador's daily production in September was 319,350 barrels. Orix averaged 7,948 barrels per day; Occidental 16,527; Elf 1,,861; City 4,598; Petroproduccion-Ancon 774; and Tripeterol 501.

The minister also gave a rundown of Ecuador's projected future output.

He predicted that production would average 404,668 barrels per day (bpd) in 1994 compared to the an estimated 340,465 in 1993. Thus, next year's output is expected to rise by 64,223 barrels.

Acosta also talked about the quality of Ecuadoran oil. He predicted that 1994 output would average 26.34 degrees on the API [American Petroleum Institute] density scale compared to 27.93 degrees in 1993. Oil quality rises greatly, according to Acosta, as its API degree rating falls.

Figures from Ministry of Energy and Mines suggest that when the current administration leaves office in 1996 output will average 429,029 bpd of 25.56-degree crude. This amounts to a jump of 88,564 bpd over 1993.

The projections show that production for the period from 1993 to 2011 will peak in 1999 at 447,430 bpd. Then, Ecuadoran oil production will begin to fall in the year 2000, and by 2011 it will have plunged to 147,666 bpd. This date, only 18 years in the future, will mark the end of the nation's petroleum era unless new oil fields are found.

Given this scenario, Acosta hailed mining as an activity that offers great hope for the nation's future. It could, he said, be the industry that replaces petroleum.

With this in mind, Acosta said his ministry is looking for ways to encourage mineral exploration and exploitation. "It is worth noting that only in Namibia does gold production average as much as 9 million metric tons a year. In economic terms that amounts to some $600 million," he said.

Pipeline Capacity To Be Increased

Energy and Mining Minister Francisco Acosta also disclosed that technical studies to increase the carrying capacity of the Trans-Ecuadoran Pipeline from 330,000 bpd to 450,000 bpd are now complete.

Acosta said his ministry is making plans for a public announcement inviting companies interested in working on the expansion project to submit their bids in coming weeks.

The undertaking is expected to cost a total of $500 million and will consist of laying a new pipeline parallel to the one that already runs from Lago Agrio to Balao.

In addition, plans call for building pumping stations in an effort to reduce line pressure as crude moves through the system.

The project will also feature new facilities designed to increase the nation's storage capacity.

The minister also talked about the need to expand petroleum-related industrialization. He said one solution could be to issue stock in Ecuadoran refineries to attract new investment in infrastructure for expanding installed refining capacity.

Peru

New Independent Political Organization Created

PA2211222393 Lima Global de Television Network in Spanish 0100 GMT 20 Nov 93

[Text] Congressmen who have left their political parties have created a new independent organization. The new organization's name is: We are Independent [Somos Independientes]. The congressmen who created this party are Cesar Larrabure, who was expelled from the Independent Moralization Front for violating party statutes, and Pablo Cruz Arrunategui, who resigned from the Popular Christian Party. They were joined by Eusebio Vicuna and Mario Paredes, who today resigned from the Peruvian Fishing and Agricultural Front [Frente Pesquero y Agricola del Peru], Frepap, because of discrepancies with that party.

Venezuela

Court Orders Inspection of Miraflores Palace Files

PA2211180993 Caracas Venezolana de Television Network in Spanish 2350 GMT 19 Nov 93

[From "The News" newscast]

[Text] The 10th Criminal Court under Judge Raisa Diaz today inspected the files of Miraflores Presidential Palace in compliance with an order issued by the Substantiation Tribunal, which is handling the case of the $250 million bolivares of the Interior Affairs Ministry's secret fund. Venezuelan President Ramon Jose Velasquez said the measure reflects the Judicial Branch's independence:

[Begin Velasquez recording] The Executive Branch has no option other than to respect the Judicial Branch's mandate without comment. It should offer facilities so the judicial branch can carry out the desired inspections. [end recording]

Meanwhile, Ramon Espinoza, minister of the Secretariat of the Presidency, said this decision issued by the Substantiation Court under Dr. Gonzalo Rodriguez Corro was revealed on 18 November, thus the Executive Branch has offered all its cooperation:

[Begin recording] [Espinoza] They are looking for documents to shed light on what happened to those funds.

[Reporter] Were the offices of the president and [words indistinct]?

[Espinoza] No, only the files of the presidential palace. [end recording]

Defense Ministry Orders Arrest of Colombian Candidate

PA2211220393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Nov 93

[From the "24 Hours" newscast]

[Text] If Antonio Navarro Wolff steps onto Venezuelan soil he is to be arrested immediately by the Venezuelan National Guard. This was the peremptory order the Venezuelan Defense Ministry issued today [21 November], in response to statements by the presidential candidate for the 19 April Movement Democratic Alliance [AD/M-19]. Navarro said he confirmed that in the area bordering with Norte de Santander, the Venezuelan National Guard charges illegal Colombian immigrants 40,000 bolivars for Venezuelan nationality papers.

In a dramatic move, the Venezuelan defense minister ordered the arrest of AD/M-19 Presidential Candidate Antonio Navarro Wolff, calling him a former criminal and guerrilla, and accusing him of having ties with drug traffickers. All this was triggered by his statements about the Venezuelan National Guard. General Pedro Romero Farias, the commander of the Venezuelan National Guard, announced that a communique had been forwarded to the Venezuelan Ministry of Foreign Relations for it to take the appropriate diplomatic steps regarding the case. Navarro Wolff, who accused the National Guard of trafficking in illegal Colombian immigrants, must present evidence to prove his charges.